



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

### Ordinance 19114

**Proposed No.** 2020-0197.1

**Sponsors** Kohl-Welles

1           AN ORDINANCE providing long-term financing for  
2           capital needs of the county's sewer system by authorizing  
3           the issuance of junior lien sewer revenue bonds and multi-  
4           modal limited tax general obligation bonds (payable from  
5           sewer revenues) of the county in an aggregate principal  
6           amount not to exceed \$250,000,000 to provide funds for  
7           acquiring and constructing improvements to the sewer  
8           system; providing for the form, terms and covenants of  
9           such bonds; providing for the sale of the bonds in one or  
10          more series; establishing funds for the receipt and  
11          expenditure of bond proceeds and for the payment of the  
12          bonds; pledging sewer revenues to pay the principal of and  
13          interest on junior lien sewer revenue bonds issued under  
14          this ordinance; and pledging the annual levy of taxes and an  
15          additional pledge of sewer revenues to pay the principal of  
16          and interest on multi-modal limited tax general obligation  
17          bonds issued under this ordinance.

18          PREAMBLE:

19          The county owns and operates facilities for the conveyance and treatment

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

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

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

41 The county has issued the series of sewer revenue bonds with a senior lien  
42 on Revenue of the System set forth in Attachment A, Section I, to this

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43 ordinance ("Parity Bonds" as further defined herein).

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

49 The county has issued the series of sewer revenue bonds with a lien on  
50 Revenue of the System junior and subordinate to the lien thereon of the  
51 Parity Lien Obligations set forth in Attachment A, Section III, to this  
52 ordinance ("Junior Lien Obligations" as further defined herein).

53 The county has issued the series of limited tax general obligation bonds  
54 additionally secured by a lien on Revenue of the System junior and  
55 subordinate to the lien thereon of the Junior Lien Obligations set forth in  
56 Attachment A, Section IV, to this ordinance ("Multi-Modal LTGO/Sewer  
57 Revenue Bonds" as further defined herein).

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

62 It is deemed necessary and desirable that the county authorize the issuance  
63 and sale of its junior lien sewer revenue bonds and/or limited tax general  
64 obligation bonds additionally secured by sewer revenues (the "Bonds") to  
65 pay costs of capital improvements to the System, in accordance with the

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66 Comprehensive Plan and the Capital Improvement Budget.

67 Because market conditions can change quickly, it is in the best interest of  
68 the county to delegate to the county's Finance Director authority to sell the  
69 Bonds in one or more series, by competitive bid, negotiated sale or to the  
70 federal government or another purchaser, as provided in this ordinance, so  
71 long as the aggregate principal amount of the Bonds does not exceed  
72 \$250,000,000. The sale of any series of the Bonds shall be ratified and  
73 confirmed by motion of the council, as provided in this ordinance.

74 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

75 SECTION 1. Definitions; Interpretation.

76 A. **Definitions.** The following words and terms as used in this ordinance  
77 have the following meanings for all purposes of this ordinance, unless some other  
78 meaning is plainly intended.

79 "Accreted Value" means, for any Capital Appreciation Bonds, as of any date of  
80 calculation, the sum of the amounts set forth in the ordinance, resolution or motion  
81 authorizing such bonds representing the initial principal amount of such bonds plus the  
82 interest accumulated, compounded and unpaid thereon as of the most recent  
83 compounding date, as provided in the ordinance, resolution or motion authorizing the  
84 issuance of such bonds; provided, that if such calculation is not made as of a  
85 compounding date, such amount shall be determined by straight-line interpolation as of  
86 the immediately preceding and the immediately succeeding compounding dates.

87 "Agency Customer" means any city, town, water-sewer district or other political  
88 subdivision, person, firm, private corporation or other entity that collects sewage from

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89 customers and disposes of any portion of that sewage into the System and is not a  
90 Participant.

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

93 1. The interest on such designated obligations due: (a) on all interest  
94 payment dates (other than January 1) in such calendar year; and (b) on January 1 of the  
95 next succeeding calendar year, plus any Payment Agreement Payments due on such dates  
96 in respect of Payment Agreements for such designated obligations and minus any  
97 Payment Agreement Receipts due in such period in respect of Payment Agreements for  
98 such designated obligations.

99 a. For purposes of calculating the amounts required to pay  
100 interest on such designated obligations, capitalized interest, accrued interest paid to the  
101 county upon the issuance of such designated obligations, and Debt Service Offsets  
102 pledged to the payment of such designated obligations will be excluded (e.g., any Debt  
103 Service Offsets shall be deducted from Annual Debt Service) and, on and after the  
104 Springing Amendment Date, interest on any Balloon Maturity Bond shall also be  
105 excluded.

106 b. Prior to the Springing Amendment Date, the amount of  
107 interest deemed payable on any such designated obligations bearing interest at a variable  
108 rate will be calculated on the assumption that the interest rate on such designated  
109 obligations would be equal to the rate that is 90 percent of the average Bond Buyer  
110 Revenue Bond Index or comparable index during the fiscal quarter preceding the quarter  
111 in which the calculation is made; provided, that for purposes of determining actual

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112 compliance in any past calendar year with the rate covenants made in Section 18 of this  
113 ordinance, the actual amount of interest paid on any issue of variable rate obligations will  
114 be taken into account. On and after the Springing Amendment Date, the amount of  
115 interest deemed to be payable on any on any such designated obligations bearing interest  
116 at a variable rate will be calculated on the assumption that the interest rate on those bonds  
117 would be equal to the rate ("the assumed variable rate") that is the average of the SIFMA  
118 Municipal Swap Index over the 10 calendar years preceding the quarter in which the  
119 calculation is made; provided, that for purposes of determining actual compliance in any  
120 past calendar year with the rate covenant made in Section 18 of this ordinance, the actual  
121 amount of interest paid on any issue of variable rate obligations shall be taken into  
122 account.

123           2.       Prior to the Springing Amendment Date, the principal due (at  
124 maturity or upon mandatory redemption prior to maturity) for such designated  
125 obligations: (a) on all principal payment dates (other than January 1) of such calendar  
126 year; and (b) on January 1 of the next succeeding calendar year. On and after the  
127 Springing Amendment Date, the principal due (at maturity or upon the mandatory  
128 redemption of Term Bonds prior to their maturity) for such designated obligations other  
129 than any Balloon Maturity Bond: (a) on all principal payment dates (other than January  
130 1) of such calendar year; and (b) on January 1 of the next succeeding year.

131           3.       Prior to the Springing Amendment Date, an amount for assumed  
132 payments of principal of any of such designated obligations that are Balloon Maturity  
133 Bonds calculated for the applicable calendar year by amortizing the then outstanding  
134 principal amount of such designated obligations in accordance with a maturity schedule

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135 not exceeding 30 years from the date of issuance of such Balloon Maturity Bonds and  
136 resulting in approximately level debt service based on their actual interest rates (if such  
137 designated obligations bear interest at fixed rates) or on the assumed interest rate  
138 calculated as provided in paragraph 1.b. of this definition (if such designated obligations  
139 bear interest at a variable rate). On and after the Springing Amendment Date, the  
140 Assumed Debt Service for any Balloon Maturity Bond for that calendar year.

141 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or  
142 upon the mandatory redemption shall be included in the calculation of Annual Debt  
143 Service, and references in this ordinance to principal include the Accreted Value due at  
144 maturity or upon the mandatory redemption of any Capital Appreciation Bonds.

145 Notwithstanding the foregoing, debt service on any such designated obligations  
146 with respect to which a Payment Agreement is in force shall be calculated by the county  
147 to reflect the net economic effect of the terms of such designated obligations and the  
148 applicable Payment Agreement, in accordance with the requirements set forth in this  
149 ordinance and any other applicable requirements from the proceedings authorizing the  
150 issuance of such designated obligations.

151 On and after the Springing Amendment Date, "Assumed Amortization Period"  
152 means an assumed amortization period for a Balloon Maturity Bond as specified in a  
153 closing certificate of the Finance Director designating the Balloon Maturity Bond. An  
154 Assumed Amortization Period may not be longer than the lesser of: (a) the useful life, as  
155 of the date of designation, of the assets being financed; and (b) 75 years. The Assumed  
156 Amortization Period for a Balloon Maturity Bond applies (e.g., is not reset) until the  
157 Balloon Maturity Bond, and any Balloon Maturity Bond issued to refund that Balloon

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158 Maturity Bond, is no longer outstanding.

159           On and after the Springing Amendment Date, "Assumed Debt Service" for any  
160 Balloon Maturity Bond for any calendar year means an amount equals to the principal  
161 and interest that would be payable in each calendar year if that Balloon Maturity Bond  
162 were amortized over the Assumed Amortization Period on a substantially level debt  
163 service basis, calculated based on the actual interest rate on the Balloon Maturity Bond, if  
164 fixed, and based on the average of the SIFMA Municipal Swap Index over the 10  
165 calendar years preceding the quarter in which the calculation is made, if variable.

166           "Balloon Maturity Bonds" means, prior to the Springing Amendment Date, any  
167 obligations of the System, the entire principal amount of which is due at maturity without  
168 serial bond payments or sinking fund redemption payments. On and after the Springing  
169 Amendment Date, "Balloon Maturity Bonds" means scheduled principal maturity of any  
170 Series of obligations of the System that the county designates in the closing certificate of  
171 the Finance Director for that Series to be a Balloon Maturity Bond for the purposes of the  
172 definition of Annual Debt Service. Any Balloon Maturity Bond includes any  
173 corresponding scheduled principal maturity of any such designated obligations issued to  
174 refund such Balloon Maturity Bond unless the Balloon Maturity Bond designation is  
175 rescinded in a closing certificate of the Finance Director in connection with the  
176 refunding.

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

179           "Bond Purchase Agreement" means any bond purchase agreement for the sale of a  
180 Series of Bonds approved pursuant to Section 25.C. of this ordinance.

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

183 "Bondowners' Trustee" means the bank or financial institution selected by the  
184 Registered Owners of the Bonds pursuant to Section 22 of this ordinance.

185 "Bonds" means the \$250,000,000 aggregate principal amount of junior lien sewer  
186 revenue bonds of the county authorized to be issued under this ordinance to pay costs of  
187 acquiring and constructing improvements to the System. The Bonds may be issued in  
188 one or more Series of Junior Lien Obligations and/or may be issued in one or more Series  
189 of Multi-Modal LTGO/Sewer Revenue Bonds, as provided in this ordinance.

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

197 "Capital Improvement Budget" means the capital improvement budget of the  
198 county in effect from time to time, as such budget may have been amended or  
199 supplemented. "Certificate of Authentication" means the Certificate of Authentication, set  
200 forth in Attachment B or Attachment C to this ordinance, as applicable, to be manually  
201 signed by the Registrar.

202 "Certificate of Award" means any certificate of award for the sale of a Series of  
203 Bonds approved pursuant to Section 25.D. of this ordinance.

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204 "Certified Public Accountant" means an independent certified public accountant  
205 (or firm of certified public accountants) selected by the county and having a favorable  
206 national reputation.

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

209 "Code" means the Internal Revenue Code of 1986 as in effect on the date of  
210 issuance of any such designated obligations (except as otherwise referenced herein) as it  
211 may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt  
212 Obligations, together with applicable proposed, temporary and final regulations  
213 promulgated, and applicable official public guidance published, under the Code.

214 "Comprehensive Plan" means the county's comprehensive water pollution  
215 abatement plan authorized by RCW 35.58.200 and defined in K.C.C. 28.82.150 of the  
216 King County Code as the Comprehensive Sewage Disposal Plan adopted by Resolution  
217 No. 23 of the Metro Council on April 22, 1959, and all amendments thereto, together  
218 with any amendments hereafter approved by ordinance of the county.

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

221 "Council" means the Metropolitan King County Council.

222 "Credit Enhancement" means any letter of credit, insurance policy, surety bond,  
223 line of credit or other instrument then in effect that secures or guarantees the payment of  
224 principal of and interest on, and/or purchase price of, any Series of Bonds, including any  
225 interfund loan agreement or other self-liquidity instrument provided by the county to  
226 secure the payment of the principal or purchase price of or interest on any Series of

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227 Bonds in advance of pledged amounts becoming available for such purpose.

228 "Credit Facility" means any letter of credit, standby bond purchase agreement,  
229 line of credit, surety bond, insurance policy or other insurance commitment or similar  
230 agreement (but not including a Payment Agreement), satisfactory to the county, that is  
231 provided by a commercial bank, insurance company or other financial institution with a  
232 current long-term rating (or whose obligations thereunder are guaranteed by a financial  
233 institution with a long-term rating): (a) from Moody's and S&P not lower, when issued,  
234 than the credit rating of any Series of Parity Bonds, to provide support for a Series of  
235 Parity Bonds, and shall include any substitute therefor in accordance with the provisions  
236 of the ordinance providing for the issuance of Parity Bonds supported by a Credit  
237 Facility; or (b) from Moody's and S&P not lower, when issued, than the credit rating of  
238 any Series of Parity Lien Obligations, to provide support for a Series of Parity Lien  
239 Obligations, and shall include any substitute therefor in accordance with the provisions of  
240 the ordinance providing for the issuance of Parity Lien Obligations supported by a Credit  
241 Facility.

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

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

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

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250 "Default" means any of the events or conditions set forth in Section 21 of this  
251 ordinance.

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

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

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

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

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

271 "Future Parity Bonds" means any sewer revenue bonds, warrants or other  
272 obligations that may be issued in the future with a lien on Revenue of the System equal to

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273 the lien thereon of the currently outstanding Parity Bonds.

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

278 "Future Subordinate Lien Obligations" means those revenue bonds or other  
279 revenue obligations that may be issued by the county in the future with a lien on Revenue  
280 of the System junior and inferior to the lien thereon of the Multi-Modal LTGO/Sewer  
281 Revenue Bonds, and payable from Revenue of the System that is available after first  
282 making the payments required to be made under paragraph "First" through "Seventh" but  
283 before making the payments required to be made under paragraph "Ninth" of Section 15  
284 of this ordinance. "Government Obligations" means direct obligations of, or  
285 obligations the principal of and interest on which are unconditionally guaranteed by, the  
286 United States of America.

287 "Junior Lien Bond Fund" means the "King County, Washington, Junior Lien  
288 Obligation Redemption Fund" created pursuant to Ordinance 14171, Section 5.01, of the  
289 county for the purpose of paying and securing the payment of the Junior Lien  
290 Obligations.

291 "Junior Lien Obligation Payment Agreement" means a Payment Agreement under  
292 which the county's payment obligations are expressly stated to constitute a charge and  
293 lien on Revenue of the System equal in rank with the charge and lien on Revenue of the  
294 System securing amounts required to be paid into the Junior Lien Bond Fund to pay and  
295 secure the payment of principal of and interest on the Junior Lien Obligations.

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296 "Junior Lien Obligations" means the outstanding Junior Lien Obligations (which  
297 are identified as outstanding Junior Lien Obligations in Attachment A to this ordinance),  
298 any Series of Bonds issued as Junior Lien Obligations, and any Future Junior Lien  
299 Obligations.

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

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

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

312 "Mode Agreement" means an agreement entered into in connection with the  
313 issuance, sale or remarketing of any Series of the Bonds setting forth the daily mode,  
314 weekly mode, commercial paper mode, term mode, index floating mode, fixed mode or  
315 other mode or modes in which such Series of Bonds will be sold or remarketed,  
316 establishing minimum and maximum rate(s), alternate rate(s) and default rate(s),  
317 providing for conversion between modes, providing for optional and mandatory tender  
318 for purchase on dates and at prices and additional provisions relating to redemption,

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319 defaults and remedies, all as set forth in the Mode Agreement. The Mode Agreement  
320 may be in the form of a continuing covenant or purchase agreement, loan agreement,  
321 remarketing agent agreement, tender agent agreement, paying agent agreement,  
322 calculation agent agreement, Credit Enhancement, or other credit facility, liquidity or  
323 other agreement, or an annex or amendments thereto, consistent with this ordinance and  
324 approved by Sale Motion in the case of a Mode Agreement entered into in connection  
325 with the issuance of any Series of Bonds or by the Finance Director in the case of a Mode  
326 Agreement entered into in connection with any subsequent remarketing of such Series of  
327 Bonds pursuant to the authority in Section 25 of this ordinance.

328 "Moody's" means Moody's Investors Service, Inc., a corporation duly organized  
329 and existing under and by virtue of the laws of the State of Delaware, and its successors  
330 and assigns, except that if that corporation is dissolved or liquidated or no longer  
331 performs the functions of a securities rating agency, then the term "Moody's" will be  
332 deemed to refer to any other nationally recognized securities rating agency selected by  
333 the county.

334 "MSRB" means the Municipal Securities Rulemaking Board or any successor to  
335 its functions.

336 "Multi-Modal LTGO/Sewer Revenue Bonds" means the outstanding Multi-Modal  
337 LTGO/Sewer Revenue Bonds (which are identified as outstanding Multi-Modal  
338 LTGO/Sewer Revenue Bonds in Attachment A to this ordinance), any Series of Bonds  
339 issued as Multi-Modal LTGO/Sewer Revenue Bonds, and any other Future Multi-Modal  
340 LTGO/Sewer Revenue Bonds.

341 "Multi-Modal LTGO/Sewer Revenue Bond Payment Agreement" means a

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342 Payment Agreement under which the county's payment obligations are expressly stated to  
343 constitute a charge and lien on Revenue of the System equal in rank with the charge and  
344 lien on Revenue of the System securing amounts required to be paid into the Multi-Modal  
345 LTGO/Sewer Revenue Bond Fund to pay and secure the payment of principal of and  
346 interest on Multi-Modal LTGO/Sewer Revenue Bonds. "Net Revenue" means  
347 Revenue of the System less Operating and Maintenance Expenses.

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

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

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

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

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

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365 "Parity Bonds" means the bonds identified as such in Attachment A, Section I, to  
366 this ordinance, together with any Future Parity Bonds. The term "Parity Bonds" includes  
367 any Parity Bond Payment Agreements and parity reimbursement agreements entered into  
368 with the provider of a Credit Facility securing any Parity Bonds.

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

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

377 "Parity Lien Obligations" means bonds identified as such in Attachment A,  
378 Section II, to this ordinance, together with any sewer revenue bonds, warrants or other  
379 obligations that may be issued in the future with a lien on Revenue of the System equal to  
380 the lien thereon of those bonds. The term "Parity Lien Obligations" includes any Parity  
381 Lien Obligation Payment Agreements and parity reimbursement agreements entered into  
382 with the provider of a Credit Facility securing any Parity Lien Obligations.

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

387 "Payment Agreement" means, to the extent permitted from time to time by

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388 applicable law, a written agreement entered into by the county: (a) in connection with or  
389 incidental to the issuance, incurring or carrying of bonds or other obligations of the  
390 county secured in whole or in part by a lien on Revenue of the System; (b) for the  
391 purpose of managing or reducing the county's exposure to fluctuations or levels of  
392 interest rates, currencies or commodities or for other interest rate, investment, or asset or  
393 liability management purposes; (c) with a Qualified Counterparty; and (d) which  
394 provides, on either a current or forward basis, for an exchange of payments determined in  
395 accordance with a formula specified therein.

396 "Payment Agreement Payments" means the amounts periodically required to be  
397 paid by the county to the Qualified Counterparty pursuant to a Payment Agreement. The  
398 term "Payment Agreement Payments" does not include any termination payment required  
399 to be paid with respect to a Payment Agreement.

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

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

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

409 "Public Works Trust Fund Loans" means loans to the county by the State  
410 Department of Commerce under the Public Works Trust Fund loan program pursuant to

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411 loan agreements in effect as of the date of this ordinance and any loan agreements  
412 hereafter entered into by the county under the Public Works Trust Fund loan program, the  
413 repayment obligations of which are secured by a lien on Revenue of the System equal to  
414 the lien thereon established by such loan agreements in effect as of the date of this  
415 ordinance.

416 "Qualified Counterparty" means, with respect to a Payment Agreement, an entity  
417 (a) whose senior long-term debt obligations, other senior unsecured long-term obligations  
418 or claims-paying ability or whose payment obligations under a Payment Agreement are  
419 guaranteed by an entity whose senior long-term debt obligations, other senior unsecured  
420 long-term obligations or claims-paying ability are rated (at the time the Payment  
421 Agreement is entered into) at least as high as A3 by Moody's and A- by S&P, or the  
422 equivalent thereof by any successor thereto, and (b) who is otherwise qualified to act as  
423 the other party to a Payment Agreement under any applicable laws of the State.

424 "Qualified Insurance" means any unconditional municipal bond insurance policy  
425 or surety bond issued for the benefit of the Registered Owners of Parity Bonds by any  
426 insurance company licensed to conduct an insurance business in any state of the United  
427 States or by a service corporation acting on behalf of one or more such insurance  
428 companies, which insurance company or service corporation, as of the time of issuance of  
429 such policy or surety bond, is then rated in one of the two highest rating categories by  
430 Moody's, S&P, and any other rating agency then maintaining a rating on the Parity Bonds  
431 and maintains a policy owner's surplus in excess of \$500,000,000.

432 "Qualified Letter of Credit" means any irrevocable letter of credit issued by a  
433 bank for the account of the county and for the benefit of the Registered Owners of Parity

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434 Bonds, provided, that such bank maintains an office, agency or branch in the United  
435 States, and provided further, that as of the time of issuance of such letter of credit, such  
436 bank is currently rated in one of the two highest rating categories by Moody's, S&P, and  
437 any other rating agency then maintaining a rating on the Parity Bonds.

438 "Rate Stabilization Fund" means the fund of that name created pursuant to  
439 Ordinance 12314, Section 13.D., of the county and continued pursuant to Section 13.B.  
440 of this ordinance.

441 "RCW" means the Revised Code of Washington.

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

445 "Record Date" means, with respect to a Bond, unless otherwise provided in the  
446 Sale Motion, the Registrar's close of business on the 15th day of the month preceding an  
447 interest payment date. With respect to redemption of a Bond prior to its maturity,  
448 "Record Date" means the Registrar's close of business on the date on which the Registrar  
449 sends notice of the redemption, except as otherwise provided in the Sale Motion.

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

452 "Registrar" means, unless otherwise designated in the Sale Motion or Mode  
453 Agreement, the fiscal agent of the State (as the same may be designated by the State from  
454 time to time) for the purposes of registering and authenticating the Bonds, maintaining  
455 the Bond Register, effecting the transfer of ownership of the Bonds and paying principal  
456 of and premium, if any, and interest on the Bonds.

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457 "Revenue Fund" means the "Water Quality Operating Account" as designated by  
458 Ordinance 12076, Section 30, of the county.

459 "Revenue of the System" means all the earnings, revenues and money received by  
460 the county from or on account of the operations of the System and the income from the  
461 investment of money in the Revenue Fund or any account within such fund, but shall not  
462 include: (a) any money collected pursuant to the Service Agreements applicable to  
463 administrative costs of the county other than costs of administration of the System; or (b)  
464 any Debt Service Offsets. For certain purposes described in Section 14.B. of this  
465 ordinance, deposits from the Rate Stabilization Fund into the Revenue Fund may be  
466 included in calculations of "Revenue of the System."

467 "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the  
468 Securities and Exchange Act of 1934, as the same may be amended from time to time.

469 "Sale Motion" means the motion of the council approving a contract for the initial  
470 purchase of a Series of Bonds and ratifying the initial sale of a Series of Bonds, all in  
471 accordance with Section 22 of this ordinance.

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

476 "SEC" means the United States Securities and Exchange Commission.

477 "Securities Depository" means DTC, any successor thereto, any substitute  
478 securities depository selected by the county that is qualified under applicable laws and  
479 regulations to provide the services proposed to be provided by it, or the nominee of any

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480 of the foregoing.

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

482 1. Annual Debt Service for such year for the Parity Bonds and Parity  
483 Lien Obligations then outstanding; and

484 2. Other payments described in paragraphs "Second" through "Fifth"  
485 of Section 15 of this ordinance required to be made during such year.

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

490 "Springing Amendment Date" means the date when the requisite percentage of the  
491 owners of: (a) the Multi-Modal Limited Tax General Obligation Refunding Bonds  
492 (Payable from Sewer Revenue), Series 2017A and Series 2017B, dated October 26, 2017,  
493 authorized by Ordinance 18581 of the county; (b) the Multi-Modal Limited Tax General  
494 Obligation Refunding Bonds and Junior Lien Refunding Bonds refunded pursuant to  
495 Ordinance 18898 of the county (including the Multi-Modal Limited Tax General  
496 Obligation Refunding Bonds (Payable from Sewer Revenues), Series 2019A and Series  
497 2019B of the county, dated June 27, 2019); (c) the Junior Lien Variable Rate Demand  
498 Sewer Revenue Bonds, Series 2001A and Series 2001B, dated August 15, 2001,  
499 authorized by Ordinances 14171 and 14172 of the county, respectively; (d) of the Junior  
500 Lien Variable Rate Demand Sewer Revenue Bond, Series 2011, dated October 26, 2011,  
501 authorized by Ordinance 17202 of the county; and (e) the Junior Lien Variable Rate  
502 Demand Sewer Revenue Bond, Series 2012, dated December 27, 2012, authorized by

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503 Ordinance 17495 of the county have consented to the definitions of Assumed  
504 Amortization Period, Assumed Debt Service, Balloon Maturity Bonds, and Annual Debt  
505 Service set forth in this ordinance (including all springing amendments set forth herein).  
506 Such consent may be obtained before or after the effective date of this ordinance in the  
507 connection with the remarketing or refunding of one or more of the foregoing bonds, with  
508 the deemed consent of bondowners in connection with the purchase of such remarketing  
509 or refunding bonds. All Registered Owners of Bonds issued after the effective date of  
510 this ordinance are deemed to have consented to the definitions of Assumed Amortization  
511 Period, Assumed Debt Service, Balloon Maturity Bonds, and Annual Debt Service set  
512 forth in this ordinance (including all springing amendments set forth herein) by their  
513 purchase of such Bonds.

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

520 "State" means the State of Washington.

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

524 "Tax Certificate" means the Federal Tax Certificate regarding certain federal tax  
525 matters executed on behalf of the county upon the issuance of each Series of Tax-Exempt

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526 Obligations.

527 "Tax-Exempt Obligations" means Bonds the interest on which the county intends  
528 to be excludable from gross income for federal income tax purposes and also includes  
529 taxable direct pay or other Bonds that are subject to the requirements applicable to Tax-  
530 Exempt Obligations.

531 "Term Bonds" means those Bonds identified as such in the Sale Motion, the  
532 principal of which is amortized by a schedule of mandatory redemptions.

533 "Undertaking" means an undertaking for ongoing disclosure to be entered into by  
534 the county for each Series of Bonds, if and to the extent required by Rule 15c2-12.

535 B. **Rules of Interpretation.** As used in this ordinance, unless the context  
536 otherwise requires:

537 1. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and  
538 any similar terms refer to this ordinance as a whole and not to any particular section,  
539 subsection, paragraph or clause of this ordinance.

540 2. Unless the context otherwise indicates, words expressed in the  
541 singular may include the plural and vice versa.

542 3. Any headings preceding the text of the various sections and  
543 subsections of this ordinance, and any table of contents or marginal notes appended to  
544 copies of this ordinance, are solely for convenience of reference and do not constitute a  
545 part of this ordinance, nor shall they affect its meaning, construction or effect.

546 4. All references in this ordinance to "sections," "subsections,"  
547 "paragraphs" and "clauses" are to the corresponding sections, subsections, paragraphs or  
548 clauses of this ordinance as originally adopted.

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549                   5.       The term "including" means "including without limitation."

550                   SECTION 2. Findings. The council finds that it is in the best interests of the  
551 county and ratepayers of the System that the county retain the flexibility to issue the  
552 Bonds in one or more Series, as Junior Lien Obligations and/or Multi-Modal  
553 LTGO/Sewer Revenue Bonds, to sell or remarket the Bonds from time to time in the  
554 same Mode or a different Mode, and to enter into, amend, extend or replace Credit  
555 Enhancement, a Liquidity Facility, and/or agreement with Bondowners. To achieve this  
556 flexibility, the council further finds that it is in the best interests of the county and  
557 ratepayers of the System that the sale of Bonds in one or more Series, as Junior Lien  
558 Obligations and/or Multi-Modal LTGO/Sewer Revenue Bonds, as Tax-Exempt  
559 Obligations or otherwise, by competitive bid, negotiated sale, or sale to the federal  
560 government or other purchaser, for current or future delivery, be determined by the  
561 Finance Director, in consultation with the county's financial advisors.

562                   SECTION 3. Authorization of Bonds. To provide funds to necessary to pay  
563 costs of acquiring, constructing and equipping improvements, additions or betterments to  
564 the System as set forth in the Comprehensive Plan and the Capital Improvement Budget,  
565 the county is authorized to issue one or more Series of the Bonds in the aggregate  
566 principal amount of \$PAR AMOUNT.       The Bonds may be issued in one or more  
567 Series of Junior Lien Obligations and/or Multi-Modal LTGO/Sewer Revenue Bonds, as  
568 provided in Section 25.A. of this ordinance, each such Series of Junior Lien Obligations  
569 to be designated as "King County, Washington, Junior Lien Sewer Revenue Bonds" with  
570 an applicable year and Series designation, and each such Series of Multi-Modal  
571 LTGO/Sewer Revenue Bonds to be designated as "King County, Washington, Multi-

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572 Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenues)" with an  
573 applicable year and Series designation. The Bonds shall be fully registered as to both  
574 principal and interest; shall be numbered separately in such manner and with any  
575 additional designation as the Registrar deems necessary for purposes of identification;  
576 and shall be in the denominations, dated the date and mature on the dates, in the years  
577 and in the amounts established as provided in Section 25 of this ordinance.

578 The Bonds shall bear interest (computed, unless otherwise provided in the Mode  
579 Agreement or Sale Motion, on the basis of a 360-day year of twelve 30-day months) from  
580 their dated date or from the most recent interest payment date to which interest has been  
581 paid or duly provided for, whichever is later, payable on interest payment dates and at the  
582 rate or rates established as provided in Section 25 of this ordinance. The Accreted Values  
583 of any Bonds that are Capital Appreciation Bonds shall be set forth in the Mode  
584 Agreement or Sale Motion.

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

586 A. **Registrar/Bond Register.** In accordance with KCC 4.84 and except as  
587 otherwise set forth in the Mode Agreement or Sale Motion, the county adopts for the  
588 Bonds the system of registration specified and approved by the Washington State Finance  
589 Committee, which utilizes the fiscal agent of the State as registrar, authenticating agent,  
590 paying agent and transfer agent. The Registrar shall keep, or cause to be kept, at its  
591 designated corporate trust office, sufficient books for the registration and transfer of the  
592 Bonds ("the Bond Register"), which shall be open to inspection by the county at all times.  
593 The Bond Register shall contain the name and mailing address of the Registered Owner  
594 of each Bond and the principal amount and number of each of the Bonds held by each

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595 Registered Owner. The Registrar is authorized, on behalf of the county, to authenticate  
596 and deliver Bonds transferred or exchanged in accordance with the provisions of the  
597 Bonds and this ordinance, to serve as the county's paying agent for the Bonds and to carry  
598 out all of the Registrar's powers and duties under this ordinance.

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

605 B. **Registered Ownership.** The Bonds shall be issued only in registered  
606 form as to both principal and interest and shall be recorded on the Bond Register. The  
607 county and the Registrar, each in its discretion, may deem and treat the Registered Owner  
608 of each Bond as the absolute owner thereof for all purposes, and neither the county nor  
609 the Registrar shall be affected by any notice to the contrary. Payment of each Bond shall  
610 be made as described in Section 4.E. of this ordinance, but registration of ownership of  
611 each Bond may be transferred as provided herein. All payments made as described in  
612 Section 4.E. of this ordinance shall be valid and shall satisfy and discharge the liability of  
613 the county upon such Bond to the extent of the amount or amounts so paid.

614 C. **Use of Depository.** Each Bond registered in the name of the Securities  
615 Depository shall be held fully immobilized in book-entry only form by the Securities  
616 Depository in accordance with the provisions of the Letter of Representations. Neither  
617 the county nor the Registrar shall have any obligation to participants of any Securities

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618 Depository or the persons for whom they act as nominees regarding the accuracy of any  
619 records maintained by the Securities Depository or its participants. Neither the county  
620 nor the Registrar shall be responsible for any notice that is permitted or required to be  
621 given to the Registered Owner of any Bond registered in the name of the Securities  
622 Depository except such notice as is required to be given by the Registrar to the Securities  
623 Depository.

624         So long as the Bonds are registered in the name of the Securities Depository, the  
625 Securities Depository shall be deemed to be the Registered Owner for all purposes  
626 hereunder, and all references to Registered Owners shall mean the Securities Depository  
627 and shall not mean the Beneficial Owners. Registered ownership of any Bond registered  
628 in the name of the Securities Depository may not be transferred except: (a) to any  
629 successor Securities Depository; (b) to any substitute Securities Depository appointed by  
630 the county; or (c) to any person if the Bond is no longer to be held by a Securities  
631 Depository.

632         Upon the resignation of the Securities Depository, or upon a termination of the  
633 services of the Securities Depository by the county, the county may appoint a substitute  
634 Securities Depository. If (a) the Securities Depository resigns and the county does not  
635 appoint a substitute Securities Depository, or (b) the county terminates the services of the  
636 Securities Depository, the Bonds no longer shall be held in book-entry only form and the  
637 registered ownership of each Bond may be transferred to any person as provided in this  
638 ordinance or as set forth in the Mode Agreement or Sale Motion.

639         D.         **Registration Covenant.** The county covenants that, until all Tax-Exempt  
640 Obligations have been surrendered and canceled, it will maintain a system for recording

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641 the ownership of each Bond that complies with the provisions of Section 149 of the Code.

642           E.       **Place and Medium of Payment.** Principal of and premium, if any, and

643 interest on the Bonds are payable in lawful money of the United States of America.

644 Principal of and premium, if any, and interest on each Bond registered in the name of the

645 Securities Depository are payable in the manner set forth in the Letter of Representations.

646 Unless otherwise specified in the Mode Agreement or Sale Motion, interest on each Bond

647 not registered in the name of the Securities Depository is payable by electronic transfer

648 on the interest payment date, or by check or draft of the Registrar mailed on the interest

649 payment date to the Registered Owner at the address appearing on the Bond Register on

650 the Record Date. The county is not required to make electronic transfers except pursuant

651 to a request by a Registered Owner in writing received on or prior to the Record Date and

652 at the sole expense of the Registered Owner. Unless otherwise specified in the Mode

653 Agreement or Sale Motion, the principal of and premium, if any, on each Bond not

654 registered in the name of the Securities Depository are payable upon presentation and

655 surrender of the Bond by the Registered Owner to the Registrar at maturity or upon prior

656 redemption in full.

657           F.       **Transfer or Exchange of Registered Ownership; Change in**

658 **Denominations.** The registered ownership of any Bond may be transferred or

659 exchanged, but no transfer or exchange of any Bond shall be valid unless it is surrendered

660 to the Registrar with the assignment form appearing on such Bond duly executed by the

661 Registered Owner or such Registered Owner's duly authorized agent in a manner

662 satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the

663 surrendered Bond and shall authenticate and deliver, without charge to the Registered

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664 Owner or transferee therefor, a new Bond (or Bonds, at the option of the new Registered  
665 Owner) of the same Series, date, maturity and interest rate and for the same aggregate  
666 principal amount in any authorized denomination, naming as Registered Owner the  
667 person or persons listed as the assignee on the assignment form appearing on the  
668 surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may  
669 be surrendered to the Registrar and exchanged, without charge, for an equal aggregate  
670 principal amount of Bonds of the same Series, date, maturity and interest rate, in any  
671 authorized denomination. The Registrar shall not be obligated to exchange or transfer  
672 any Bond during the period between the Record Date and any principal payment or  
673 redemption date, or, in the case of any proposed redemption of a Bond, after mailing of  
674 the notice of the call of the Bond for redemption.

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

676 A. **Optional Redemption.** All or some of a Series of Bonds may be subject  
677 to redemption prior to their stated maturity dates at the option of the county at the times  
678 and on the terms set forth in the Mode Agreement or Sale Motion.

679 B. **Mandatory Redemption.** The county shall redeem any Term Bonds, if  
680 not redeemed under the optional redemption provisions set forth in the Mode Agreement  
681 or Sale Motion or purchased under the provisions set forth herein, randomly (or in such  
682 other manner as set forth in the Mode Agreement or Sale Motion or as the Registrar shall  
683 determine) at par plus accrued interest on the dates and in the years and principal  
684 amounts set forth in the Mode Agreement or Sale Motion.

685 If the county redeems Term Bonds under the optional redemption provisions set  
686 forth in the Mode Agreement or Sale Motion or purchases for cancellation or defeases

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687 Term Bonds, the Term Bonds so redeemed, purchased or defeased (irrespective of their  
688 redemption or purchase prices) shall, unless otherwise provided in the Mode Agreement  
689 or Sale Motion, be credited against one or more scheduled mandatory redemption  
690 amounts for those Term Bonds. The county shall determine the manner in which the  
691 credit is to be allocated and shall notify the Registrar in writing of its allocation at least  
692 60 days prior to the earliest mandatory redemption date for the maturity of Term Bonds  
693 for which notice of redemption has not already been given.

694       C.       **Partial Redemption.** Whenever less than all of the Bonds of a single  
695 maturity of a Series are to be redeemed, the Securities Depository shall select the Bonds  
696 registered in the name of the Securities Depository to be redeemed in accordance with the  
697 Letter of Representations, and the Registrar shall select all other Bonds to be redeemed  
698 randomly, or in such other manner set forth in the Mode Agreement or Sale Motion or as  
699 the Registrar shall determine.

700       Portions of the principal amount of any Bond, in authorized denominations, may  
701 be redeemed, unless otherwise provided in the Mode Agreement or Sale Motion. If less  
702 than all of the principal amount of any Bond is redeemed, upon surrender of that Bond to  
703 the Registrar, there shall be issued to the Registered Owner, without charge therefor, a  
704 new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity  
705 and interest rate in any authorized denomination in the aggregate total principal amount  
706 remaining outstanding.

707       D.       **Purchase.** The county reserves the right and option to purchase any or all  
708 of the Bonds offered to the county at any time at any price acceptable to the county plus  
709 accrued interest to the date of purchase.

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

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

730            Interest on each Bond called for redemption shall cease to accrue on the date fixed  
731 for redemption, unless either the notice of optional redemption is rescinded as set forth  
732 above or money sufficient to effect such redemption is not on deposit with the Registrar

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733 or in a trust account established to refund or defease the Bond.

734           SECTION 7. Form and Execution of Bonds. Bonds issued as Junior Lien  
735 Obligations shall be in substantially the form set forth in Attachment B to this ordinance.  
736 Bonds issued as Multi-Modal LTGO/Sewer Revenue Bonds shall be in substantially the  
737 form set forth in Attachment C to this ordinance. The Bonds shall be signed by the  
738 county executive and the clerk of the council, either or both of whose signatures may be  
739 manual or in facsimile, and the seal of the county or a facsimile reproduction thereof shall  
740 be impressed or printed thereon.

741           Only a Bond bearing a Certificate of Authentication, set forth in Attachment B or  
742 Attachment C to this ordinance, as applicable, manually signed by the Registrar, shall be  
743 valid or obligatory for any purpose or entitled to the benefits of this ordinance. The  
744 authorized signing of a Certificate of Authentication shall be conclusive evidence that the  
745 Bond so authenticated has been duly executed, authenticated and delivered and is entitled  
746 to the benefits of this ordinance.

747           If any officer whose manual or facsimile signature appears on a Bond ceases to be  
748 an officer of the county authorized to sign bonds before the Bond bearing that officer's  
749 manual or facsimile signature is authenticated by the Registrar or issued or delivered by  
750 the county, that Bond nevertheless may be authenticated, issued and delivered and, when  
751 authenticated, issued and delivered, shall be as binding on the county as though that  
752 person had continued to be an officer of the county authorized to sign bonds. Any Bond  
753 also may be signed on behalf of the county by any person who, on the actual date of  
754 signing of the Bond, is an officer of the county authorized to sign bonds, although he or  
755 she did not hold the required office on the dated date of the Bond.

756            **SECTION 8. Mutilated, Lost, Stolen or Destroyed Bonds.** If any Bond  
757 becomes mutilated, the Registrar may authenticate and deliver a new Bond or Bonds of  
758 like amount, date, Series, interest rate and tenor to the Registered Owner thereof upon the  
759 Registered Owner's paying the expenses and charges of the county and the Registrar in  
760 connection therewith and upon surrender to the Registrar of the Bond so mutilated.  
761 Every mutilated Bond so surrendered shall be canceled and destroyed by the Registrar.

762            If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver  
763 a new Bond or Bonds of like amount, date, Series, interest rate and tenor to the  
764 Registered Owner thereof upon the Registered Owner's paying the expenses and charges  
765 of the county and the Registrar in connection therewith and upon filing with the Registrar  
766 evidence satisfactory to the Registrar that such Bond was actually lost, stolen or  
767 destroyed and of registered ownership thereof, and upon furnishing the county and the  
768 Registrar with indemnity satisfactory to the Finance Director and the Registrar.

769            **SECTION 9. Junior Lien Bond Fund.** A special fund of the county designated  
770 the "King County, Washington, Junior Lien Obligation Redemption Fund" has heretofore  
771 been created for, and is hereby continued, along with the purpose of paying Junior Lien  
772 Obligations. The Junior Lien Bond Fund shall be held separate and apart from all other  
773 funds and accounts of the county and shall be a trust fund for the owners of Junior Lien  
774 Obligations.

775            The county hereby irrevocably obligates and binds itself to set aside and pay into  
776 the Junior Lien Bond Fund out of Revenue of the System amounts sufficient, together  
777 with income from the investment of money in the Junior Lien Bond Fund, and any other  
778 money on deposit in the Junior Lien Bond Fund and legally available, to pay all Bonds

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779 that are issued as Junior Lien Obligations as the same become due and payable.

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

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

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

798 If any Bonds are designated as Term Bonds pursuant to Section 25 of this  
799 ordinance, there shall be set forth in the Mode Agreement or Sale Motion a mandatory  
800 redemption schedule to amortize the principal of those Term Bonds. Payments of  
801 principal of Term Bonds under any such mandatory redemption schedule shall be made

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802 from the Junior Lien Bond Fund, as provided in this section, to the extent not credited  
803 pursuant to Section 5.B. of this ordinance.

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

807 The amounts covenanted in this ordinance to be paid out of Revenue of the  
808 System into the Junior Lien Bond Fund and the accounts therein constitute, and the  
809 county hereby grants to the Registered Owners of the Bonds and to any Credit Provider  
810 and Liquidity Provider with respect to obligations owed to them under a related  
811 reimbursement agreement or Liquidity Facility, a lien and charge on Revenue of the  
812 System junior, subordinate and inferior to Operating and Maintenance Expenses; junior,  
813 subordinate and inferior to the lien and charge on Revenue of the System for the  
814 payments required to be made into the Parity Bond Fund and the accounts therein (and  
815 Payment Agreement Payments with respect to Parity Bond Payment Agreements, and  
816 payments required to be made in connection with Qualified Insurance, a Qualified Letter  
817 of Credit or the Parity Bond Reserve Account as set forth in Section 15 of this  
818 ordinance); junior, subordinate and inferior to the lien and charge on Revenue of the  
819 System for the payments required to be made into the Parity Lien Obligation Bond Fund  
820 and the accounts therein (and Payment Agreement Payments with respect to Parity Lien  
821 Obligation Payment Agreements as set forth in Section 15 of this ordinance); equal to the  
822 lien and charge on Revenue of the System to pay and secure the payment of the  
823 outstanding Junior Lien Obligations and any Future Junior Lien Obligations (including  
824 Payment Agreement Payments with respect to Junior Lien Obligation Payment

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825 Agreements and to make any payments required to be made to providers of any credit  
826 enhancements or liquidity facilities for Junior Lien Obligations); and superior to all other  
827 liens and charges of any kind or nature, including, inter alia, the lien and charge on  
828 Revenue of the System to pay and secure the payment of Multi-Modal LTGO/Sewer  
829 Revenue Bonds, Future Subordinate Lien Obligations, SRF Loans and Public Works  
830 Trust Fund Loans.

831 The Bonds issued as Junior Lien Obligations are not a general obligation of the  
832 county. Neither the full faith and credit nor the taxing power of the county or the state of  
833 Washington or any political subdivision thereof is pledged to the payment of the Bonds  
834 issued as Junior Lien Obligations.

835 **SECTION 11. Multi-Modal LTGO/Sewer Revenue Bond Fund.** A special  
836 fund of the county designated the "King County, Washington, Multi-Modal Limited Tax  
837 General Obligation (Payable from Sewer Revenue) Bond Fund" has heretofore been  
838 created for the purpose of paying Multi-Modal LTGO/Sewer Revenue Bonds. The  
839 Multi-Modal LTGO/Sewer Revenue Bond Fund shall be held separate and apart from all  
840 other funds and accounts of the county and shall be a trust fund for the owners of Multi-  
841 Modal LTGO/Sewer Revenue Bonds.

842 The county hereby irrevocably obligates and binds itself to set aside and pay into  
843 the Multi-Modal LTGO/Sewer Revenue Bond Fund, from the sources described in  
844 Sections 12 and 13 of this ordinance, on or prior to the respective dates the same become  
845 due (and if such payment is made on the due date, such payment must be made in  
846 immediately available funds): (a) such amounts as are required to pay the interest  
847 scheduled to become due on the Bonds that are issued as Multi-Modal LTGO/Sewer

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848 Revenue Bonds; and (b) such amounts with respect to the Bonds that are issued as Multi-  
849 Modal LTGO/Sewer Revenue Bonds as are required to pay maturing principal, to make  
850 any required sinking fund payments and to redeem such Bonds in accordance with any  
851 mandatory redemption provisions, and the county hereby covenants to budget for each  
852 such payment of principal and interest when due.

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

859 If any Bonds that are issued as Multi-Modal LTGO/Sewer Revenue Bonds are  
860 designated as Term Bonds pursuant to Section 25 of this ordinance, there shall be set  
861 forth in the Mode Agreement or Sale Motion for that Series of Bonds a mandatory  
862 redemption schedule to amortize the principal of those Term Bonds. Payments of  
863 principal of Term Bonds under any such mandatory redemption schedule shall be made  
864 from the Multi-Modal LTGO/Sewer Revenue Bond Fund, as provided in this section, to  
865 the extent not credited pursuant to Section 5.B. of this ordinance.

866 **SECTION 12. Pledge of Sewer Revenues to Multi-Modal LTGO/Sewer**  
867 **Revenue Bonds.** The Bonds that are issued as Multi-Modal LTGO/Sewer Revenue  
868 Bonds also are payable from and secured by a pledge of Revenue of the System. The  
869 county hereby irrevocably obligates and binds itself to set aside and pay into the Multi-  
870 Modal LTGO/Sewer Revenue Bond Fund out of Revenue of the System, on or prior to

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871 the respective dates the same become due, the amounts required by Section 11 of this  
872 ordinance.

873         The amounts covenanted in this ordinance to be paid out of Revenue of the  
874 System into the Multi-Modal LTGO/Sewer Revenue Bond Fund constitute, and the  
875 county hereby grants to the Registered Owners of the Bonds and to any Credit Provider  
876 and Liquidity Provider with respect to obligations owed to them under a related  
877 reimbursement agreement or Liquidity Facility, a lien and charge on Revenue of the  
878 System junior, subordinate and inferior to Operating and Maintenance Expenses; junior,  
879 subordinate and inferior to the lien and charge on Revenue of the System for the  
880 payments required to be made into the Parity Bond Fund and the accounts therein (and  
881 Payment Agreement Payments with respect to Parity Bond Payment Agreements, and  
882 payments required to be made in connection with Qualified Insurance, a Qualified Letter  
883 of Credit or the Parity Bond Reserve Account as set forth in Section 15 of this  
884 ordinance); junior, subordinate and inferior to the lien and charge on Revenue of the  
885 System for the payments required to be made into the Parity Lien Obligation Bond Fund  
886 and the accounts therein (and Payment Agreement Payments with respect to Parity Lien  
887 Obligation Payment Agreements as set forth in Section 15 of this ordinance); junior,  
888 subordinate and inferior to the lien and charge on Revenue of the System to pay and  
889 secure the payment of any Junior Lien Obligations (and Payment Agreement Payments  
890 with respect to Junior Lien Obligation Payment Agreements and required payments to  
891 providers of credit enhancement or liquidity facilities for Junior Lien Obligations as set  
892 forth in Section 15 of this ordinance); equal to the lien and charge on Revenue of the  
893 System to pay and secure the payment of any Outstanding Multi-Modal LTGO/Sewer

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894 Revenue Bonds and any Future Multi-Modal LTGO/Sewer Revenue Bonds (and Payment  
895 Agreement Payments with respect to Multi-Modal LTGO/Sewer Revenue Bond Payment  
896 Agreements and required payments to providers of credit enhancement or liquidity  
897 facilities for Multi-Modal LTGO/Sewer Revenue Bonds); and superior to all other liens  
898 and charges of any kind or nature, including, inter alia, the lien and charge on Revenue of  
899 the System to pay and secure the payment of any Future Subordinate Lien Obligations,  
900 SRF Loans and Public Works Trust Fund Loans.

901 **SECTION 13. Pledge of Taxation and Credit to Multi-Modal LTGO/Sewer**  
902 **Revenue Bonds.** The county hereby irrevocably covenants and agrees for as long as any  
903 Bonds that are issued as Multi-Modal LTGO/Sewer Revenue Bonds are outstanding and  
904 unpaid, that each year it will include in its budget and levy an *ad valorem* tax upon all the  
905 property within the county subject to taxation in an amount that will be sufficient,  
906 together with all other revenues and money of the county legally available for such  
907 purposes, to make the payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund  
908 required by Section 11 of this ordinance as the same become due. All of the taxes so  
909 collected will be paid into the Multi-Modal LTGO/Sewer Revenue Bond Fund no later  
910 than the date those funds are required for the payments required by Section 11 of this  
911 ordinance.

912 The county hereby irrevocably pledges that the annual tax herein authorized to be  
913 levied for the payment of such amounts shall be within and a part of the tax levy  
914 permitted to counties without a vote of the people, and that a sufficient portion of the  
915 taxes to be levied and collected annually by the county prior to the full payment of the  
916 amounts required by Section 11 of this ordinance will be and is hereby irrevocably set

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917 aside and pledged for the payment of the amounts required by Section 11 of this  
918 ordinance.

919 The full faith, credit and resources of the county are hereby irrevocably pledged  
920 for the annual levy and collection of those taxes and for the prompt payment of the  
921 amounts required by Section 11 of this ordinance as the same become due.

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

923 A. **Revenue Fund.** A special fund of the county known as the "Water  
924 Quality Operating Account" has heretofore been created and is hereby continued. All  
925 Revenue of the System shall be deposited in the Revenue Fund. All Operating and  
926 Maintenance Expenses shall be paid out of the Revenue Fund or appropriate reserves  
927 therein.

928 B. **Rate Stabilization Fund.** In anticipation of increases in revenue  
929 requirements of the System, a special fund of the county designated as the "Sewer Rate  
930 Stabilization Fund" has heretofore been established and is hereby continued. The county  
931 may from time to time appropriate or budget amounts in the Revenue Fund for deposit in  
932 the Rate Stabilization Fund, as provided in Section 15 of this ordinance, and may from  
933 time to time withdraw amounts therefrom for deposit in the Revenue Fund to prevent or  
934 mitigate sewer rate increases or for other lawful purposes of the county related to the  
935 System, including calculations of "Net Revenue" and "Revenue of the System" for the  
936 purposes of satisfying requirements of Sections 18 and 23 of this ordinance.

937 For any fiscal year: (a) amounts withdrawn from the Revenue Fund and  
938 deposited into the Rate Stabilization Fund for that fiscal year must be subtracted from Net  
939 Revenue for that fiscal year; and (b) amounts withdrawn from the Rate Stabilization Fund

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940 and deposited in the Revenue Fund for that fiscal year may be added to Revenue of the  
941 System for that fiscal year.

942 SECTION 15. Sewer Revenue Priorities of Payment. So long as any Bonds are  
943 outstanding, all Revenue of the System shall be deposited into the Revenue Fund and  
944 used and applied in the following order of priority:

945 **First**, to pay all Operating and Maintenance Expenses;

946 **Second**, to make all required deposits into the Parity Bond Fund to provide for the  
947 payment of principal of and interest on Parity Bonds as the same become due and payable  
948 and to make any Payment Agreement Payments with respect to any Parity Bond Payment  
949 Agreements;

950 **Third**, to make all payments required to be made pursuant to a reimbursement  
951 agreement or agreements (or other equivalent documents) in connection with Qualified  
952 Insurance or a Qualified Letter of Credit; provided, that if there is not sufficient money to  
953 make all payments under such reimbursement agreements, the payments will be made on  
954 a pro rata basis;

955 **Fourth**, to establish and maintain the Parity Bond Reserve Account (including  
956 making deposits into such account and paying the costs of obtaining Qualified Insurance  
957 or a Qualified Letter of Credit therefor);

958 **Fifth**, to make all required payments of principal and interest on the Parity Lien  
959 Obligations and to make any Payment Agreement Payments with respect to any Parity  
960 Lien Obligation Payment Agreements;

961 **Sixth**, to make all required payments of principal of and interest on the Junior  
962 Lien Obligations as the same become due and payable, to make all Payment Agreement

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963 Payments with respect to any Junior Lien Obligation Payment Agreements, and to make  
964 any payments required to be made to providers of any credit enhancements or liquidity  
965 facilities (including the county) for Junior Lien Obligations;

966       **Seventh**, to make all required payments of principal of and interest on the Multi-  
967 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all  
968 Payment Agreement Payments for any Multi-Modal LTGO/Sewer Revenue Bond  
969 Payment Agreements, and to make any payments required to be made to providers of  
970 credit enhancements or liquidity facilities (including the county) for any Multi-Modal  
971 LTGO/Sewer Revenue Bonds;

972       **Eighth**, to make all required payments of principal of and interest on any Future  
973 Subordinate Lien Obligations as the same become due and payable;

974       **Ninth**, to make all required payments of principal of and interest on bonds, notes,  
975 warrants and other evidences of indebtedness, the lien and charge on Revenue of the  
976 System of which are junior and inferior to the Future Subordinate Lien Obligations, as  
977 the same become due and payable; and

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

980       Any surplus money that the county may have on hand in the Revenue Fund after  
981 making all required payments set forth above may be used by the county (a) to make  
982 necessary improvements, additions and repairs to and extensions and replacements of the  
983 System, (b) to purchase or redeem and retire outstanding sewer revenue bonds of the  
984 county, (c) to make deposits into the Rate Stabilization Fund, or (d) for any other lawful  
985 purposes of the county related to the System in the order and priority as determined by

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986 the county.

987 **SECTION 16. Construction Account.**

988 A. There has heretofore been created a special fund of the county known as  
989 the "Second Water Quality Construction Account" ("the Construction Account"). For  
990 purposes of separately accounting for investment earnings on the proceeds of the Bonds  
991 to facilitate compliance with the requirements of this ordinance, there is hereby  
992 established for the Bonds a special subaccount within the Construction Account (the  
993 "Construction Subaccount"). Money in the Construction Subaccount will be held and  
994 applied to pay costs of acquiring, constructing and equipping improvements, additions or  
995 betterments to the System as set forth in the Comprehensive Plan and the Capital  
996 Improvement Budget and all costs incidental thereto, including engineering, architectural,  
997 planning, financial, legal, urban design or any other incidental costs, and to repay any  
998 advances heretofore or hereafter made on account of such costs, provided that if  
999 deficiencies exist in the Junior Lien Bond Fund, money in the Construction Subaccount  
1000 may be transferred to such fund in any amounts necessary to pay principal of and interest  
1001 on the Bonds.

1002 B. The amount allocated by the Finance Director to pay the costs of  
1003 issuing the Bonds will be deposited in the appropriate fund or account of the county (as  
1004 determined by the Finance Director) and used for such purpose.

1005 C. The balance of the proceeds of the Bonds will be deposited in the  
1006 Construction Subaccount as provided in subsection A. of this section and applied as  
1007 provided in subsection A. of this section.

1008 **SECTION 17. Due Regard for Expenses and Sewer Revenues Pledged.** The

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1009 council hereby declares that, in fixing the amounts to be paid into the Junior Lien Bond  
1010 Fund and Multi-Modal LTGO/Sewer Revenue Bond Fund out of Revenue of the System,  
1011 it has exercised due regard for the Operating and Maintenance Expenses and has not  
1012 obligated the county to set aside in the Junior Lien Bond Fund and Multi-Modal  
1013 LTGO/Sewer Revenue Bond Fund a greater amount of Revenue of the System that in its  
1014 judgment will be available over and above the Operating and Maintenance Expenses and  
1015 Revenue of the System previously pledged.

1016 **SECTION 18. Rate Covenants.**

1017 A. **General Rate Covenant.** The county will establish, maintain and collect  
1018 rates and charges for sewage disposal service for each calendar year that are fair and  
1019 nondiscriminatory and adequate to provide the county with Revenue of the System  
1020 sufficient: (a) to pay all Operating and Maintenance Expenses during that calendar year;  
1021 (b) to pay punctually all amounts described in paragraphs "Second" through "Tenth" in  
1022 Section 15 of this ordinance due during that calendar year; and (c) to pay any and all  
1023 amounts that the county is now or may hereafter become obligated by law or contract to  
1024 pay during that calendar year from the Revenue of the System.

1025 B. **Coverage Covenant.** Subject to the provisions of subsection C. of this  
1026 section, the county will establish, maintain and collect rates and charges for sewage  
1027 disposal service that, together with the interest to be earned on investments made of  
1028 money in the Revenue Fund, Parity Bond Fund, Parity Lien Obligation Bond Fund,  
1029 Junior Lien Bond Fund, Multi-Modal LTGO/Sewer Revenue Bond Fund and  
1030 Construction Account will provide in each calendar year Net Revenue, after deducting  
1031 therefrom amounts required in such year to pay Annual Debt Service on Parity Bonds and

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1032 Parity Lien Obligations, in an amount equal to at least 1.10 times the amounts required to  
1033 pay Annual Debt Service for all Junior Lien Obligations and Multi-Modal LTGO/Sewer  
1034 Revenue Bonds for that year.

1035 C. **Rate Stabilization Fund.** In determining compliance with the  
1036 requirements of this section, Revenue of the System and Net Revenue shall be calculated  
1037 by taking into account deposits and withdrawals from the Rate Stabilization Fund as  
1038 provided in Section 14.B. of this ordinance.

1039 **SECTION 19. Certain Other Covenants of the County Regarding the Bonds.**

1040 The county hereby covenants with the Registered Owner of each of the Bonds, as  
1041 follows:

1042 A. **Maintain in Good Order.** The county will cause the System and the  
1043 business in connection therewith to be operated in a safe, sound, efficient and economic  
1044 manner in compliance with all health, safety and environmental laws, regulatory body  
1045 rules, regulatory body orders and court orders applicable to the county's operation of the  
1046 System, and will cause the System to be maintained, preserved, reconstructed, expanded  
1047 and kept, with all appurtenances and every part and parcel thereof, in good repair,  
1048 working order and condition, and will from time to time cause to be made, without undue  
1049 deferral, all necessary or proper repairs, replacements and renewals, so that all times the  
1050 operation of the System will be properly and advantageously conducted.

1051 B. **Books and Records.** The county will cause proper books of record and  
1052 accounts of operation of the System to be kept, including an annual financial report.

1053 C. **Annual Audit.** The county will cause its books of accounts, including its  
1054 annual financial report, to be audited annually by the State auditor's office or other State

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1055 department or agency as may be authorized and directed by law to make such audits or, if  
1056 such an audit is not made for twelve months after the close of any fiscal year of the  
1057 county, by a Certified Public Accountant. The county will furnish the audit to the Owner  
1058 of any Bond upon written request therefor.

1059           D.       **Insurance.** The county will at all times carry fire and extended coverage  
1060 and such other forms of insurance on such of the buildings, equipment, facilities and  
1061 properties of the System as under good practice are ordinarily carried on such buildings,  
1062 equipment, facilities and properties by municipal or privately owned utilities engaged in  
1063 the operation of sewer systems and will also carry adequate public liability insurance at  
1064 all times, provided that the county may institute or continue a self-insurance program for  
1065 any or all of the aforementioned risks.

1066           E.       **Construction.** The county will cause the construction of any duly  
1067 authorized and ordered portions of the Comprehensive Plan to be performed and  
1068 completed within a reasonable time and at the lowest reasonable cost.

1069           F.       **Collection of Revenue.** The county will operate and maintain the System  
1070 and conduct its affairs so as to entitle it at all times to receive and enforce payment to it  
1071 of sewage disposal charges payable (a) pursuant to the ordinance or ordinances  
1072 establishing a tariff of rates and charges for sewage disposal services and (b) under any  
1073 Service Agreement that the county has now or may hereafter enter into and to entitle the  
1074 county to collect all revenues derived from the operation of the System. The county shall  
1075 not release the obligations of any person, corporation or political subdivision under such  
1076 tariff of rates and charges or the Service Agreements and shall at all times, to the extent  
1077 permitted by law, defend, enforce, preserve and protect the rights and privileges of the

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1078 county and of the Registered Owners of the Bonds under or with respect thereto.

1079           In accordance with RCW 35.58.200(3), the county shall require any county, city,  
1080 special district or other political subdivision to discharge to the System all sewage  
1081 collected by that entity from any portion of the Seattle metropolitan area that can drain by  
1082 gravity flow into facilities of the System that serve such areas if the council declares that  
1083 the health, safety or welfare of the people within the metropolitan area require such  
1084 action.

1085           **G. Legal Authority.** The county has full legal right, power and authority to  
1086 adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry  
1087 out and consummate all other transactions contemplated by this ordinance.

1088           **H. Due Authorization.** By all necessary official action prior to or  
1089 concurrently herewith, the county has duly authorized and approved the execution and  
1090 delivery of, and the performance by the county of its obligations contained in, the Bonds  
1091 and in this ordinance and the consummation by it of all other transactions necessary to  
1092 effectuate this ordinance in connection with the issuance of Bonds, and such  
1093 authorizations and approvals are in full force and effect and have not been amended,  
1094 modified or supplemented in any material respect.

1095           **I. Binding Obligation.** This ordinance constitutes a legal, valid and binding  
1096 obligation of the county.

1097           **J. No Conflict.** The county's adoption of this ordinance and its compliance  
1098 with the provisions contained herein will not conflict with or constitute a breach of or  
1099 default under any constitutional provision, law, administrative regulation, judgment,  
1100 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement

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1101 or other instrument to which the county is a party or to which the county or any of its  
1102 property or assets are otherwise subject, nor will any such adoption or compliance result  
1103 in the creation or imposition of any lien, charge or other security interest or encumbrance  
1104 of any nature whatsoever upon any of the property or assets of the county or under the  
1105 terms of any such law, regulation or instrument, except as may be provided by this  
1106 ordinance.

1107           **K. Performance under Ordinance.** None of the proceeds of the Bonds will  
1108 be used for any purpose other than as provided in this ordinance, and except as otherwise  
1109 expressly provided herein, the county shall not suffer any amendment or supplement to  
1110 this ordinance, or any departure from the due performance of the obligations of the  
1111 county hereunder, that might materially adversely affect the rights of the Registered  
1112 Owners from time to time of the Bonds.

1113           **L. Sale or Disposition.** The county will not sell or voluntarily dispose of all  
1114 of the operating properties of the System unless provision is made for payment into the  
1115 applicable debt service funds of a sum sufficient to pay the principal of and interest on all  
1116 outstanding Parity Bonds, Parity Lien Obligations, Junior Lien Obligations and Multi-  
1117 Modal LTGO/Sewer Revenue Bonds in accordance with the terms thereof, nor will the  
1118 county sell or voluntarily dispose of any part of the operating properties of the System  
1119 unless the county has first complied with any applicable covenants of the Parity Bonds  
1120 and Parity Lien Obligations.

1121           **SECTION 20. Tax Covenants.** The county will take all actions necessary to  
1122 assure the exclusion of interest on any Tax-Exempt Obligations from the gross income of  
1123 the Owners of such Tax-Exempt Obligations to the same extent as such interest is

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1124 permitted to be excluded from gross income under the Code as in effect on the date of  
1125 issuance of such Tax-Exempt Obligations, including but not limited to the following:

1126       A.     **Private Activity Bond Limitation.** The county will assure that the  
1127 proceeds of the Tax-Exempt Obligations are not so used as to cause the Tax-Exempt  
1128 Obligations to satisfy the private business tests of Section 141(b) of the Code or the  
1129 private loan financing test of Section 141(c) of the Code, as applicable.

1130       B.     **Limitations on Disposition of Project.** The county will not sell or  
1131 otherwise transfer or dispose of (a) any personal property components of the project  
1132 financed or refinanced with Tax-Exempt Obligations other than in the ordinary course of  
1133 an established government program under Treasury Regulation 1.141-2(d)(4) or (b) any  
1134 real property components of the project financed or refinanced with Tax-Exempt  
1135 Obligations, unless it has received an opinion of nationally recognized bond counsel to  
1136 the effect that such disposition will not adversely affect the treatment of interest on the  
1137 Tax-Exempt Obligations as excludable from gross income for federal income tax  
1138 purposes.

1139       C.     **Federal Guarantee Prohibition.** The county will not take any action or  
1140 permit or suffer any action to be taken if the result of such action would be to cause any  
1141 of the Tax-Exempt Obligations to be "federally guaranteed" within the meaning of  
1142 Section 149(b) of the Code.

1143       D.     **Rebate Requirement.** The county will take any and all actions necessary  
1144 to assure compliance with Section 148(f) of the Code, relating to the rebate of excess  
1145 investment earnings, if any, to the federal government, to the extent that such section is  
1146 applicable to the Tax-Exempt Obligations.

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1147           E.       **No Arbitrage.** The county will not take, or permit or suffer to be taken,  
1148 any action with respect to the proceeds of the Tax-Exempt Obligations which, if such  
1149 action had been reasonably expected to have been taken, or had been deliberately and  
1150 intentionally taken, on the date of issuance of the Tax-Exempt Obligations would have  
1151 caused the Tax-Exempt Obligations to be "arbitrage bonds" within the meaning of  
1152 Section 148 of the Code, as applicable.

1153           F.       **Registration Covenant.** The county will maintain a system for recording  
1154 the ownership of each Bond that complies with the provisions of Section 149 of the Code  
1155 until all Tax-Exempt Obligations have been surrendered and canceled.

1156           G.       **Record Retention.** The county will retain its records of all accounting and  
1157 monitoring it carries out with respect to the Tax-Exempt Obligations for at least three  
1158 years after the Tax-Exempt Obligations mature or are redeemed (whichever is earlier);  
1159 however, if the Tax-Exempt Obligations are redeemed and refunded, the county will  
1160 retain its records of accounting and monitoring at least three years after the earlier of the  
1161 maturity or redemption of the obligations that refunded the Tax-Exempt Obligations.

1162           H.       **Compliance with Tax Certificate.** The county will comply with the  
1163 provisions of the Tax Certificate with respect to the Tax-Exempt Obligations, which are  
1164 incorporated herein as if fully set forth herein. In the event of any conflict between this  
1165 Section and the Tax Certificate, the provisions of the Tax Certificate will prevail.  
1166 Additional tax covenants as necessary or desirable for any Series of Bonds may be set  
1167 forth in the Sale Motion or Tax Certificate for that Series of Bonds.

1168           The covenants of this Section will survive payment in full or defeasance of the  
1169 Tax-Exempt Obligations.

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1170            **SECTION 21. Defaults.** The county hereby finds and determines that the failure  
1171 or refusal of the county or any of its officers to perform the covenants and obligations of  
1172 this ordinance will endanger the operation of the System and the application of Revenue  
1173 of the System and such other money, funds and securities to the purposes herein set forth.

1174 Any one or more of the following will constitute a Default under this ordinance:

1175            A.        The county fails to make payment of the principal of any Bond when the  
1176 same becomes due and payable, whether by maturity or scheduled redemption prior to  
1177 maturity;

1178            B.        The county fails to make payment of the interest on any Bond when the  
1179 same becomes due and payable;

1180            C.        The county defaults in the observance or performance of any other  
1181 covenant, condition or agreement on the part of the county contained in this ordinance,  
1182 and such default has continued for a period of 30 days; or

1183            D.        The county: (a) admits in writing its inability to pay its debts generally as  
1184 they become due; (b) files a petition in bankruptcy or seeking a composition of  
1185 indebtedness under any state or federal bankruptcy or insolvency law; (c) makes an  
1186 assignment for the benefit of its creditors; (d) consents to the appointment of a receiver  
1187 for the whole or any substantial part of the System; or (e) consents to the assumption by  
1188 any court of competent jurisdiction under the provisions of any other law for the relief or  
1189 aid of debtors of custody or control of the county or of the whole or any substantial part  
1190 of the System.

1191            **SECTION 22. Remedies.**

1192            A.        **Control by Credit Provider.** Upon the occurrence and continuation of a

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1193 Default described in Section 21.A. through D. of this ordinance, each Credit Provider will  
1194 be entitled to exercise, on behalf of the Registered Owners of any Bonds secured by  
1195 Credit Enhancement provided by the Credit Provider, any of the remedies provided to the  
1196 Registered Owners of such Bonds under this section and, for so long as the Credit  
1197 Provider is not in default of its obligations under the Credit Enhancement, the Credit  
1198 Provider will be the only person entitled to exercise the remedies provided under this  
1199 section with respect to such Bonds.

1200           **B. Appointment of Bondowners' Trustee.** Upon the occurrence of a  
1201 Default and so long as such Default is not remedied, and subject to the rights of any  
1202 Credit Provider as provided in subsection A. of this section, a Bondowners' Trustee may  
1203 be appointed for the Registered Owners of the Bonds by the Registered Owners of a  
1204 majority in principal amount of the Bonds then outstanding by an instrument or  
1205 concurrent instruments in writing signed and acknowledged by such Registered Owners  
1206 or by their attorneys-in-fact duly authorized and delivered to the Bondowners' Trustee,  
1207 notification thereof having been given to the county. Any Bondowners' Trustee  
1208 appointed under the provisions of this section must be a bank or trust company organized  
1209 under the laws of a state or a national banking association. The fees and expenses of the  
1210 Bondowners' Trustee must be borne by the Registered Owners of the Bonds and not by  
1211 the county. The bank or trust company acting as the Bondowners' Trustee may be  
1212 removed at any time, and a successor Bondowners' Trustee may be appointed, by the  
1213 Registered Owners of a majority in principal amount of the Bonds then outstanding, by  
1214 an instrument or concurrent instruments in writing signed and acknowledged by such  
1215 Registered Owners or by their attorneys-in-fact duly authorized. The Bondowners'

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1216 Trustee may resign upon 60 days' notice and a new Bondowners' Trustee appointed by  
1217 the Registered Owners of a majority in principal amount of the Bonds then outstanding;  
1218 provided, that no such resignation or removal will be effective until a successor  
1219 Bondowners' Trustee has been appointed and has delivered to the county and the  
1220 Registered Owners of the Bonds then outstanding a written instrument of acceptance of  
1221 the duties and responsibilities of the Bondowners' Trustee under this ordinance.

1222           The Bondowners' Trustee appointed in the manner herein provided, and each  
1223 successor thereto, is hereby declared to be a trustee for the Registered Owners of all the  
1224 Bonds then outstanding and is empowered to exercise all the rights and powers herein  
1225 conferred on the Bondowners' Trustee.

1226           **C.     Legal Action by Bondowners' Trustee.** Subject to the rights of the  
1227 Credit Provider, if any, as provided in subsection A. of this section, upon the happening  
1228 of a Default and during the continuation thereof, the Bondowners' Trustee may, and upon  
1229 the written request of the Registered Owners of not less than 25 percent in principal  
1230 amount of the Bonds then outstanding must, take such steps and institute such suits,  
1231 actions or other proceedings as it may deem appropriate for the protection and  
1232 enforcement of the rights of such Registered Owners to collect any amounts due and  
1233 owing to or from the county, or to obtain other appropriate relief, and may enforce the  
1234 specific performance of any covenant, agreement or condition contained in this ordinance  
1235 or in the Bonds. Any action, suit or other proceedings instituted by the Bondowners'  
1236 Trustee hereunder will be brought in its name as trustee for the Registered Owners of all  
1237 Bonds, and all such rights of action upon or under any of the Bonds or the provisions of  
1238 this ordinance may be enforced by the Bondowners' Trustee without the possession of

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1239 any of the Bonds, and without the production of the same at any trial or proceedings  
1240 relating thereto except where otherwise required by law. Any such suit or proceeding  
1241 instituted by the Bondowners' Trustee will be brought for the ratable benefit of all of the  
1242 Registered Owners of the Bonds, subject to the provisions of this ordinance. The  
1243 respective Registered Owners of the Bonds, by taking and holding the same, will be  
1244 conclusively deemed irrevocably to have appointed the Bondowners' Trustee the true and  
1245 lawful trustee of the respective Registered Owners of the Bonds, with authority to  
1246 institute any such action, suit or proceeding; to receive as trustee and deposit in trust any  
1247 sums that become distributable on account of the Bonds; to execute any paper or  
1248 documents for the receipt of such money; and to do all acts with respect thereto that such  
1249 registered owners themselves might have done. Nothing herein will be deemed to  
1250 authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf  
1251 of any Registered Owner of the Bonds, any plan of reorganization or adjustment affecting  
1252 such Bonds or any right of any Registered Owner thereof, or to authorize or empower the  
1253 Bondowners' Trustee to vote the claims of the Registered Owners thereof in any  
1254 receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to  
1255 which the county is a party.

1256           D.       **Restrictions on Legal Action by Individual Owners.** Subject to the  
1257 rights of the Credit Provider, if any, as provided in subsection A. of this section, no  
1258 Registered Owner of any Bonds has any right to institute any action, suit or proceedings  
1259 at law or in equity for the enforcement of the same unless:

- 1260                   1.       a Default has happened and is continuing; and
- 1261                   2.       a Bondowners' Trustee has been appointed as herein provided; and

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1262                   3.       such Registered Owner previously has given to the Bondowners'  
1263   Trustee written notice of the Default as to which such suit, action or proceeding is to be  
1264   instituted; and

1265                   4.       Registered Owners of not less than 25 percent in principal amount  
1266   of the Bonds then outstanding, after the occurrence of such Default, have made written  
1267   request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a  
1268   reasonable opportunity to institute such suit, action or proceedings; and

1269                   5.       the Bondowners' Trustee has been offered security and indemnity  
1270   satisfactory to it against the costs, expenses and liabilities to be incurred therein or  
1271   thereby; and

1272                   6.       the Bondowners' Trustee has refused or neglected to comply with  
1273   such request within a reasonable time.

1274           Notwithstanding any other provision of this ordinance, each Registered Owner of  
1275   the Bonds will have the absolute and unconditional right to receive payment of principal  
1276   of and premium, if any, and interest on such Bonds on and after the due date thereof, and  
1277   to institute suit for the enforcement of any such payment.

1278           E.       **Waivers of Default; Remedies not Exclusive.** The remedies herein  
1279   conferred upon or reserved to the Registered Owners of the Bonds and to the  
1280   Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies,  
1281   and each and every such remedy will be cumulative and will be in addition to every other  
1282   remedy given hereunder or now or hereafter existing at law or in equity or by statute.

1283   The privileges herein granted may be exercised from time to time and continued so long  
1284   as and as often as the occasion therefor may arise.

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1285           Subject to the rights of the Credit Provider, if any, as provided in subsection A. of  
1286 this section, the Bondowners' Trustee may waive any past Default and its consequences,  
1287 except a default in the payment of the principal of or premium, if any, or interest on any  
1288 of the Bonds. No such waiver will extend to or affect any subsequent Default or impair  
1289 any rights or remedies consequent thereon. No delay or omission of the Credit Provider  
1290 or the Bondowners' Trustee to exercise any right or power accruing upon any Default will  
1291 impair any such right or power or be construed to be a waiver of any such Default or  
1292 acquiescence therein.

1293           SECTION 23. Additional Obligations of the System.

1294           A.     **Senior Lien Obligations.** The county reserves the right to issue  
1295 additional Parity Bonds and Parity Lien Obligations on the applicable terms and  
1296 conditions set forth in the ordinances authorizing issuance of the Parity Bonds and Parity  
1297 Lien Obligations then outstanding.

1298           B.     **Future Junior Lien Obligations; Future Multi-Modal LTGO/Sewer**  
1299 **Revenue Bonds.** The county reserves the right to issue Future Junior Lien Obligations  
1300 and Future Multi-Modal LTGO/Sewer Revenue Bonds, but only if such Future Junior  
1301 Lien Obligations and Future Multi-Modal LTGO/Sewer Revenue Bonds are issued (a) for  
1302 the purpose of refunding any Junior Lien Obligations or Multi-Modal LTGO/Sewer  
1303 Revenue Bonds then outstanding or (b) for any lawful purpose of the county related to  
1304 the System and the following conditions are met:

1305           1.     At the time of issuing such Future Junior Lien Obligations or  
1306 Future Multi-Modal LTGO/Sewer Revenue Bonds, there is no default in the payment of  
1307 the principal of or interest on any Parity Bonds, Parity Lien Obligations, Junior Lien

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1308 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Future Subordinate Lien

1309 Obligations, SRF Loans or Public Works Trust Fund Loans.

1310                   2.       The county has on file one of the following certificates:

1311                   a.       A certificate of the Finance Director showing that Net  
1312 Revenue in any 12 consecutive months out of the most recent 18 months preceding the  
1313 issuance of such Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer  
1314 Revenue Bonds, based on financial statements of the System prepared by the county and  
1315 after deducting therefrom the Senior Lien Payments required in each calendar year during  
1316 the life of such Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer  
1317 Revenue Bonds, will be at least equal to 1.10 times the Annual Debt Service for the  
1318 proposed Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer Revenue  
1319 Bonds and all Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds  
1320 then outstanding in each year during the life of such Future Junior Lien Obligations or  
1321 Future Multi-Modal LTGO/Sewer Revenue Bonds; or

1322                   b.       A certificate from a Professional Utility Consultant (which  
1323 certificate may not be dated more than 90 days prior to the date of delivery of such Future  
1324 Junior Lien Obligations or Future Multi-Modal LTGO/Sewer Revenue Bonds) showing  
1325 that in the Professional Utility Consultant's professional opinion the Net Revenue,  
1326 estimated on the basis of all factors as he or she may consider reasonable, for each of the  
1327 five calendar years following the year in which such Future Junior Lien Obligations or  
1328 Future Multi-Modal LTGO/Sewer Revenue Bonds are to be issued, after deducting  
1329 therefrom Senior Lien Payments for each such year, will be at least equal to 1.10 times  
1330 the Annual Debt Service for the proposed Future Junior Lien Obligations or Future

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1331 Multi-Modal LTGO/Sewer Revenue Bonds and all Junior Lien Obligations and Multi-  
1332 Modal LTGO/Sewer Revenue Bonds then outstanding in each of those five years.

1333 C. **Inferior Lien Obligations.** Nothing contained in this ordinance prevents  
1334 the county from issuing revenue bonds, notes or other obligations that are a charge on  
1335 Revenue of the System junior or inferior to the payments required to be made therefrom  
1336 into the Junior Lien Bond Fund to pay and secure the payment of any Junior Lien  
1337 Obligations, and nothing contained in this ordinance prevents the county from issuing  
1338 revenue bonds, notes or other obligations that are a charge on Revenue of the System  
1339 junior or inferior to the payments required to be made therefrom into the Multi-Modal  
1340 LTGO/Sewer Revenue Bond Fund to pay and secure the payment of any Multi-Modal  
1341 LTGO/Sewer Revenue Bonds.

1342 **SECTION 24. Payment Agreements.**

1343 A. **General.** To the extent and for the purposes permitted from time to time  
1344 by chapter 39.96 RCW, as it may be amended, and other applicable provisions of State  
1345 law, the county may enter into Payment Agreements with respect to any Series of the  
1346 Bonds, subject to the conditions set forth in this section and in other provisions of this  
1347 ordinance.

1348 B. **Manner and Schedule of Payments.** Each Payment Agreement must set  
1349 forth the manner in which the respective Payment Agreement Payments and the  
1350 respective Payment Agreement Receipts will be calculated and a schedule of applicable  
1351 payment dates.

1352 C. **Authorizing Ordinance.** Prior to entering into a Payment Agreement, the  
1353 council must adopt an ordinance authorizing such agreement and setting forth such

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1354 provisions as the county deems necessary or desirable and are not inconsistent with the  
1355 provisions of this ordinance.

1356           D.       **Calculation of Payment Agreement Payments and Debt Service on**  
1357 **Bonds with Respect to which a Payment Agreement is in Force.** It is the intent of the  
1358 county, for purposes of Section 18 or 23 of this ordinance, that debt service on Bonds  
1359 with respect to which a Payment Agreement is in force will be calculated to reflect the  
1360 net economic effect on the county intended to be produced by the terms of such Bonds  
1361 and the Payment Agreement. In calculating such amounts, the county will be guided by  
1362 the following requirements:

1363                   1.       The amount of interest deemed to be payable on any Bonds with  
1364 respect to which a Payment Agreement is in force will be an amount equal to the amount  
1365 of interest that would be payable at the rate or rates stated in those Bonds plus Payment  
1366 Agreement Payments minus Payment Agreement Receipts.

1367                   2.       For any period during which Payment Agreement Payments are  
1368 not taken into account in calculating interest on any outstanding Bonds because the  
1369 Payment Agreement is not then related to any outstanding Bonds, Payment Agreement  
1370 Payments on that Payment Agreement will be calculated based upon the following  
1371 assumptions:

1372                           a.       **County Obligated to Make Payments Based on Fixed**  
1373 **Rate.** If the county is obligated to make Payment Agreement Payments based on a fixed  
1374 rate and the Qualified Counterparty is obligated to make payments based on a variable  
1375 rate index, payments by the county will be based on the assumed fixed payor rate, and  
1376 payments by the Qualified Counterparty will be based on a rate equal to the average rate

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1377 determined by the variable rate index specified by the Payment Agreement during the  
1378 fiscal quarter preceding the quarter in which the calculation is made; and

1379                   b.       **County Obligated to Make Payments Based on Variable**  
1380 **Rate Index.** If the county is obligated to make Payment Agreement Payments based on a  
1381 variable rate index and the Qualified Counterparty is obligated to make payments based  
1382 on a fixed rate, payments by the county will be based on a rate equal to the average rate  
1383 determined by the variable rate index specified by the Payment Agreement during the  
1384 fiscal quarter preceding the quarter in which the calculation is made, and the Qualified  
1385 Counterparty will make payments based on the fixed rate specified by the Payment  
1386 Agreement.

1387                   E.       **Prior Notice to Rating Agencies.** The county will give notice to Moody's  
1388 and S&P 30 days prior to the date it intends to enter into a Junior Lien Obligation  
1389 Payment Agreement or Multi-Modal LTGO/Sewer Revenue Bond Payment Agreement.

1390                   SECTION 25. Sale and Remarketing of Bonds.

1391                   A.       **Determination by Finance Director.** The Finance Director shall  
1392 determine, in consultation with the county's financial advisors, whether each Series of  
1393 Bonds will be issued as Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue  
1394 Bonds, the principal amount of each Series of Bonds, whether each Series of Bonds will  
1395 be structured as Tax-Exempt Obligations or otherwise, whether a Series of Bonds will be  
1396 sold separately or combined with one or more other Series of the county's bonds and  
1397 whether each Series of Bonds will be sold by negotiated sale, competitive bid, or to the  
1398 federal government or other purchaser, and for current or future delivery. The Finance  
1399 Director is authorized to designate any or all of the Bonds as "green bonds" or any similar

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1400 designation indicating the purpose for which the proceeds of the Bonds are to be used.

1401 The authority to sell (e.g., enter into a purchase contract, accept a bid for or enter into a

1402 loan or other agreement for) in connection with the initial issuance of any Series of

1403 Bonds authorized hereunder will terminate December 31, 2022, but the authority to

1404 remarket any Series of Bonds authorized hereunder and all other provisions of this

1405 ordinance will remain in full force and effect.

1406           B.       **Satisfaction of Conditions.** The Finance Director will provide or cause to

1407 be provided by a Professional Utility Consultant any certifications required to satisfy the

1408 conditions established in the ordinances of the county for the issuance of the Bonds as

1409 Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue Bonds, as applicable. In

1410 the Sale Motion or a closing certificate, the Finance Director shall certify to any required

1411 findings regarding the satisfaction of such conditions applicable to that Series of Bonds.

1412           C.       **Procedure for Negotiated Sale.** If the Finance Director determines that

1413 any Series of the Bonds will be sold by negotiated sale, the Finance Director shall, in

1414 accordance with applicable county procurement procedures, solicit one or more

1415 underwriting firms or other financial institutions with which to negotiate the sale of the

1416 Bonds. The purchase contract for each Series of the Bonds shall designate any Term

1417 Bonds and shall specify the year and Series designation, date, principal amount, interest

1418 payment dates, interest rates, price, maturity schedule and redemption and bond insurance

1419 provisions of such Series of Bonds subject to the parameters set forth in subsection F of

1420 this section. The purchase contract shall not be executed and delivered unless and until

1421 the council by a Sale Motion approves the purchase contract and ratifies and confirms the

1422 terms for the Series of Bonds established therein.

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1423           D.       **Procedure for Sale by Competitive Bid.** If the Finance Director  
1424 determines that any Series of the Bonds will be sold by competitive bid, bids for the  
1425 purchase of such Series of Bonds will be received at such time or place and by such  
1426 means as the Finance Director directs. The Finance Director is authorized to prepare an  
1427 official notice of sale for such Bonds, establishing in such notice the year and Series  
1428 designation, date, principal amount, interest payment dates, maturity schedule and  
1429 optional redemption and bond insurance provisions of such Series of Bonds. The official  
1430 notice of sale or an abridged form thereof may be published in such newspapers or  
1431 financial journals as the county's financial advisors deem desirable or appropriate.

1432                       Upon the date and time established for the receipt of bids for a Series of the  
1433 Bonds, the Finance Director or the Finance Director's designee will review the bids, cause  
1434 the bids to be mathematically verified and accept the winning bid, upon approval of the  
1435 council by Sale Motion, by executing the Certificate of Award, which shall designate any  
1436 Term Bonds. The county reserves the right to reject any and all bids for such Bonds, acting  
1437 through the Finance Director.

1438           E.       **Other Sales.** If the Finance Director determines that any Series of Bonds will  
1439 be sold to the federal government or other purchaser to evidence a loan from that purchaser,  
1440 the Finance Director will negotiate the sale of such Bonds and the terms of any loan or other  
1441 agreement with the purchaser, for approval by Sale Motion. The Sale Motion for such Series  
1442 of Bonds will identify the year and any applicable Series designation, date, principal  
1443 amounts and maturity dates, interest rates and interest payment dates, redemption and/or  
1444 purchase provisions and delivery date for such Series of Bonds.

1445           F.       **Multi-Modal Bonds; Remarketing.** The Finance Director is authorized

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1446 to determine that any Series of the Bonds will be issued with interest to be borne in a  
1447 daily mode, weekly mode, commercial paper mode, term mode, index floating mode,  
1448 fixed mode or other mode, subject to minimum rate(s), maximum rate(s), alternate rate(s)  
1449 and default rate(s), conversion between modes, optional and mandatory tender for  
1450 purchase on dates and at prices and additional provisions relating to defaults and  
1451 remedies, all as set forth in proceedings of the county authorized under this ordinance. In  
1452 connection with the sale, remarketing of or any mode conversion of any Series of the  
1453 Bonds following the initial issuance of such Series of Bonds, the Finance Director is  
1454 authorized, in the Finance Director's discretion, without further action by the council, as  
1455 necessary and desirable to effect such sale, remarketing or conversion: (a) to issue  
1456 requests for proposals for purchasers, remarketing agents, tender agents, paying agents,  
1457 calculation agents, Credit Providers, or Liquidity Providers, and to execute and deliver  
1458 agreements based on responses received to such requests, including the Mode  
1459 Agreement, any amendments to the Mode Agreement, any continuing covenant or  
1460 purchase agreements, remarketing agent agreements, tender agent agreements, paying  
1461 agent agreements, calculation agent agreements, Credit Enhancement and amendments  
1462 to, extensions, replacements and terminations thereof, Liquidity Facilities and  
1463 amendments to, extensions, replacements and terminations thereof, reimbursement  
1464 agreements and other agreements evidencing the county's obligations under any such  
1465 agreements and any certifications or documentation in connection therewith; (b) to  
1466 appoint or replace the Registrar or Securities Depository; (c) to cause the interest rate  
1467 mode of any Series of the Bonds to be established or converted in accordance with the  
1468 Mode Agreement, or amendments to the Mode Agreement; and (d) to establish such

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1469 funds and accounts as are necessary and desirable in connection with such sale or  
1470 remarketing in or conversion to such interest rate mode.

1471        SECTION 26. Delivery of Bonds. Following the sale of each Series of the  
1472 Bonds, the county will cause definitive Bonds to be prepared, executed and delivered in  
1473 accordance with the provisions of this ordinance and in a form acceptable to DTC as  
1474 initial depository for the Bonds, as applicable, with the approving legal opinion of  
1475 municipal bond counsel regarding the Bonds.

1476        SECTION 27. Preliminary Official Statement; Official Statement. The county  
1477 authorizes and directs the Finance Director: (a) to review and approve the information  
1478 contained in one or more preliminary official statements or reoffering memoranda (each,  
1479 a "Preliminary Official Statement") prepared in connection with any sale or remarketing  
1480 of any Series of the Bonds; and (b) for the sole purpose of the Bond purchasers'  
1481 compliance with paragraph (b)(1) of Rule 15c2-12, to deem final that Preliminary  
1482 Official Statement as of its date, except for the omission of information permitted to be  
1483 omitted by Rule 15c2-12. After each Preliminary Official Statement has been reviewed  
1484 and approved in accordance with the provisions of this section, the county hereby  
1485 authorizes distribution of such Preliminary Official Statement to prospective purchasers  
1486 of such Series of Bonds.

1487        Following the sale or remarketing of each Series of the Bonds in accordance with  
1488 Section 25 of this ordinance, the Finance Director is hereby authorized to review and  
1489 approve on behalf of the county each final official statement or reoffering memoranda  
1490 with respect to such Series of Bonds. The county shall cooperate with the purchaser of  
1491 each Series of Bonds to deliver or cause to be delivered, within seven business days (or

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1492 within such other period as may be required by applicable law) and in sufficient time to  
1493 accompany any confirmation that requests payment from any customer of the purchaser,  
1494 copies of the final official statement pertaining to such Bonds in sufficient quantity to  
1495 comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the MSRB.

1496 **SECTION 28. Undertaking to Provide Ongoing Disclosure.** If and to the  
1497 extent required by paragraph (b)(5) of Rule 15c2-12, each Sale Motion will authorize an  
1498 Undertaking for the applicable Series of the Bonds.

1499 **SECTION 29. General Authorization.** The appropriate county officials, agents  
1500 and representatives are hereby authorized and directed to do everything necessary for the  
1501 prompt sale, issuance, execution and delivery, and remarketing of the Bonds, and for the  
1502 proper use and application of the proceeds of the sale and remarketing thereof.

1503 **SECTION 30. Investment of Funds and Accounts.** Money in the Revenue  
1504 Fund, Junior Lien Bond Fund and Multi-Modal LTGO/Sewer Revenue Bond Fund may  
1505 be invested in any Permitted Investments. Obligations purchased as an investment of  
1506 money in the Revenue Fund, Junior Lien Bond Fund and Multi-Modal LTGO/Sewer  
1507 Revenue Bond Fund and accounts therein will be deemed at all times to be a part of such  
1508 respective fund or account, and the income or interest earned, profits realized or losses  
1509 suffered by a fund or account due to the investment thereof will be retained in, credited or  
1510 charged, as the case may be, to such fund or account.

1511 **SECTION 31. Refunding or Defeasance of Bonds.** The county may issue  
1512 refunding obligations pursuant to State law or use money available from any other lawful  
1513 source to carry out a refunding or defeasance plan, which may include: (a) paying when  
1514 due the principal of and interest on any or all of the Bonds (the "Defeased Bonds"); (b)

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1515 redeeming the Defeased Bonds prior to their maturity; and (c) paying the costs of the  
1516 refunding or defeasance. If the county sets aside in a special trust fund or escrow account  
1517 irrevocably pledged to that redemption or defeasance (the "trust account") money and/or  
1518 Government Obligations maturing at a time or times and bearing interest in amounts  
1519 sufficient to redeem, refund or defease the Defeased Bonds in accordance with their  
1520 terms, then all right and interest of the Owners of the Defeased Bonds in the covenants of  
1521 this ordinance and in the funds and accounts obligated to the payment of the Defeased  
1522 Bonds shall cease and become void. Thereafter, the Registered Owners of Defeased  
1523 Bonds shall have the right to receive payment of the principal of and premium, if any,  
1524 and interest on the Defeased Bonds solely from the trust account and the Defeased Bonds  
1525 shall be deemed no longer outstanding. In that event, the county may apply money  
1526 remaining in any fund or account (other than the trust account) established for the  
1527 payment or redemption of the Defeased Bonds to any lawful purpose.

1528       Unless otherwise specified by the county in a refunding or defeasance plan, notice  
1529 of refunding or defeasance shall be given and selection of Bonds for any partial refunding  
1530 or defeasance shall be conducted, in the manner prescribed in this ordinance for the  
1531 redemption of Bonds.

1532       SECTION 32. Supplemental Ordinances.

1533       A.     **Without Owner Consent.** The council from time to time and at any time  
1534 may adopt an ordinance or ordinances supplemental to this ordinance, without the  
1535 consent of Registered Owners of any of the Bonds, for any one or more of the following  
1536 purposes:

1537             1.     To add to the covenants and agreements of the county in this

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1538 ordinance such other covenants and agreements thereafter to be observed that will not  
1539 adversely affect the interests of the Registered Owners of any Bonds, or to surrender any  
1540 right or power herein reserved to or conferred upon the county;

1541           2.       To make such provisions for the purpose of curing any ambiguities  
1542 or of curing, correcting or supplementing any defective provision contained in this  
1543 ordinance in regard to matters or questions arising under this ordinance as the council  
1544 may deem necessary or desirable and not inconsistent with this ordinance and that will  
1545 not adversely affect the interest of the Registered Owners of any Bonds;

1546           3.       To modify, alter, amend, supplement or restate this ordinance in  
1547 any and all respects necessary, desirable or appropriate in connection with the delivery of  
1548 Credit Enhancement or a Liquidity Facility (other than modifying notice provisions to  
1549 Registered Owners of the Bonds);

1550           4.       To modify, alter, amend, supplement or restate this ordinance in  
1551 any and all respects necessary, desirable or appropriate to satisfy the requirements of any  
1552 rating agency to obtain or maintain a rating on the Bonds as the county deems necessary,  
1553 provided that such action does not impair the security hereof or materially adversely  
1554 affect the interests of the Registered Owners of the Bonds; or

1555           5.       For any purpose, on any date all Bonds are subject to mandatory or  
1556 optional tender for purchase, in each case after written notice of such amendment has  
1557 been given by first class mail to each Registered Owner of the Bonds not less than 30  
1558 days prior to such purchase date.

1559           **B.       With Owner Consent.**

1560           1.       With the consent of the Registered Owners of not less than a

Ordinance 19114

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1561 majority in aggregate principal amount of the Junior Lien Obligations and Multi-Modal  
1562 LTGO/Sewer Revenue Bonds then outstanding, the council may adopt an ordinance or  
1563 ordinances supplemental hereto for the purpose of adding any provisions to or changing  
1564 in any manner or eliminating any of the provisions of this ordinance, except as described  
1565 in subsection B.2. or B.4. of this section.

1566                   2.       No supplemental ordinance entered into pursuant to this subsection  
1567 B. may:

1568                           a.       Extend the fixed maturity of any Bonds, or reduce the rate  
1569 of interest thereon, or extend the time of payments of interest from their due date, or  
1570 reduce the amount of the principal thereof, or reduce any premium payable on the  
1571 redemption thereof, or amend provisions governing the mandatory or optional tender for  
1572 purchase or redemption of Bonds, without the consent of the Registered Owner of each  
1573 Bond so affected; or

1574                           b.       Reduce the aforesaid percentage of Registered Owners of  
1575 Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds required to  
1576 approve any such supplemental ordinance, without the consent of the Registered Owners  
1577 of all Bonds then outstanding.

1578                   3.       It is not necessary for the consent of the Registered Owners of  
1579 Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds under this  
1580 subsection B. to approve the particular form of any proposed supplemental ordinance, but  
1581 it is sufficient if such consent approves the substance thereof.

1582                   4.       Notwithstanding any provision of this subsection B. to the  
1583 contrary, the Credit Provider, if any, will be entitled to consent, on behalf of the

Ordinance 19114

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1584 Registered Owners of any Junior Lien Obligations or Multi-Modal LTGO/Sewer  
1585 Revenue Bonds secured by Credit Enhancement provided by such Credit Provider, for so  
1586 long as the Credit Provider is not in default of its obligations under the Credit  
1587 Enhancement, to the adoption by the council of any ordinance or ordinances  
1588 supplemental hereto for the purpose of adding any provisions to or changing in any  
1589 manner or eliminating any of the provisions of this ordinance.

1590 C. **Consent of Credit Provider and Liquidity Provider.** Any amendment  
1591 or supplement to this ordinance requires the prior written consent of any Credit Provider  
1592 and Liquidity Provider if the rights of such Credit Provider or Liquidity Provider, as the  
1593 case may be, will be adversely affected thereby, for so long as the Credit Provider or  
1594 Liquidity Provider, as applicable, is not in default of its obligations.

1595 **SECTION 33. Ordinance a Contract; Severability.** The covenants  
1596 contained in this ordinance constitute a contract between the county and: (a) the  
1597 Registered Owner of each Bond; (b) the Qualified Counterparty to any Payment  
1598 Agreement entered into with respect to any Bonds; and (c) any Credit Provider or  
1599 Liquidity Provider with respect to any Bonds. If any court of competent jurisdiction  
1600 determines that any covenant or agreement provided in this ordinance to be performed on  
1601 the part of the county is contrary to law, then such covenant or agreement shall be null  
1602 and void and shall be deemed separable from the remaining covenants and agreements of  
1603 this ordinance and shall in no way affect the validity of the other provisions of this  
1604 ordinance or of the Bonds.

Ordinance 19114

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1605            **SECTION 34. Effective Date.** This ordinance shall be effective 10 days after its  
1606 enactment, in accordance with Article II of the county charter.  
1607

Ordinance 19114 was introduced on 6/9/2020 and passed by the Metropolitan King  
County Council on 6/23/2020, by the following vote:

Yes: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles,  
Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer  
and Mr. Zahilay

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

DocuSigned by:  
*Claudia Balducci*  
F8830818F1C4427...

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Claudia Balducci, Chair

ATTEST:

DocuSigned by:  
*Melani Pedroza*  
8DE1BB375AD3422...

---

Melani Pedroza, Clerk of the Council

APPROVED this 8 day of July, 2020.

DocuSigned by:  
*Dow Constantine*  
4FBCAB8196AE4C6...

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DocuSigned by:  
*Dow Constantine*  
4FBCAB8196AE4C6...

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Dow Constantine, County Executive

**Attachments:** A. Outstanding Sewer Obligations, B. Form of Junior Lien Obligations, C. Form of  
Multi-Modal LTGO Sewer Revenue Bonds

**ATTACHMENT A – Outstanding Sewer Obligations****I. OUTSTANDING PARITY BONDS**

<b>Series</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Original Principal</b>	<b>Outstanding Principal (as of 1/2/2020)</b>
2010	16868	7/29/2010	\$ 334,365,000	\$ 31,050,000
2011	16868	1/25/2011	175,000,000	4,175,000
2011B	17111	10/5/2011	494,270,000	29,445,000
2011C	17111	11/1/2011	32,445,000	7,885,000
2012	17111	4/18/2012	104,445,000	89,785,000
2012B	17111	8/2/2012	64,260,000	64,260,000
2012C	17111	9/19/2012	65,415,000	34,625,000
2013A	17111	4/9/2013	122,895,000	99,435,000
2013B	17599	10/29/2013	74,930,000	54,680,000
2014A	17599	7/8/2014	75,000,000	75,000,000
2014B	17599	8/12/2014	192,460,000	181,490,000
2015A	17599	2/18/2015	474,025,000	470,475,000
2015B	18111	11/17/2015	93,345,000	75,985,000
2016A	18116	2/17/2016	281,535,000	273,975,000
2016B	18111	9/12/2016	499,655,000	492,005,000
2017	18587	12/19/2017	149,485,000	127,840,000
2018A <sup>(1)</sup>	18588	4/19/2018	134,500,000	134,500,000
2018B	18588	11/15/2018	<u>124,455,000</u>	<u>124,455,000</u>
		Total	\$3,492,485,000	\$2,371,065,000

<sup>(1)</sup> WIFIA loan, authorized but not drawn upon

**II. OUTSTANDING PARITY LIEN OBLIGATIONS**

<b>Series</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Original Principal</b>	<b>Outstanding Principal (as of 1/2/2020)</b>
2008	15779	2/12/2008	\$ 236,950,000	\$ 21,020,000
2012	17111	4/18/2012	68,695,000	41,360,000
2012B	17111	8/2/2012	41,725,000	30,500,000
2015A	17599	2/18/2015	247,825,000	247,395,000
2017	18116	10/25/2017	154,560,000	139,840,000
2019	18588	10/24/2019	<u>101,035,000</u>	<u>101,035,000</u>
		Total	\$850,790,000	\$581,150,000

**III. Outstanding Junior Lien Obligations**

<u>Designation</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 1/2/2020)</u>
2001A and B Bonds	14171/14172	8/15/2001	\$100,000,000	\$100,000,000
2011 Bonds	17202	10/26/2011	100,000,000	100,000,000
2012 Bonds	17495	12/27/2012	<u>100,000,000</u>	<u>100,000,000</u>
		Total	\$300,000,000	\$300,000,000

**IV. Outstanding Multi-Modal LTGO/Sewer Revenue Bonds**

<u>Designation</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 1/2/2020)</u>
2017A and B Bonds	18581	10/26/2017	\$100,000,000	\$98,225,000
2019A and B Bonds	18589	6/27/2019	<u>148,095,000</u>	<u>148,095,000</u>
		Total	\$248,095,000	\$246,320,000

**Attachment B: Form of Junior Lien Obligations**

[Book-entry only caption; insurance caption]

No. R-\_\_\_\_

[\$[Principal Amount]

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY

JUNIOR LIEN SEWER REVENUE BOND, SERIES \_\_\_\_

Registered Owner:

Principal Amount:

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on \_\_\_\_\_ (the "Maturity Date"), the Principal Amount specified above and to pay interest thereon from the date of this bond, or the most recent date to which interest has been paid or duly provided for, until payment of this bond, at the Interest Rate specified in the Bond Legislation, payable on each Interest Payment Date.

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 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. Principal of and 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 necessary to pay costs of the System.

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 \_\_\_\_ of the County Council (together, 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 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, and the County has covenanted to budget for each such payment of principal and interest when due.

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.

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

Date of Authentication: \_\_\_\_\_.

CERTIFICATE OF AUTHENTICATION

This is one of the fully registered Junior Lien Sewer Revenue Bonds, Series \_\_\_\_\_, of King County, Washington, dated \_\_\_\_\_, described in the within-mentioned Bond Legislation.

WASHINGTON STATE FISCAL AGENT  
as Registrar

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-mentioned bond and hereby irrevocably constitutes and appoints \_\_\_\_\_ or its successor, as Registrar, to transfer this bond on the Bond Register with full power of substitution in the premises.

DATED: \_\_\_\_

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within-mentioned bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signatures must be guaranteed pursuant to law.

**Attachment C: Form of Multi-Modal LTGO/Sewer Revenue Bonds**

[Book-entry system caption; Insurance caption]

No. R-\_\_\_

[\$[Principal Amount]

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY

MULTI-MODAL LIMITED TAX GENERAL OBLIGATION  
BOND (PAYABLE FROM SEWER REVENUES), SERIES \_\_\_\_\_

Maturity Date:

Registered Owner:

Principal Amount:

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on \_\_\_\_\_ (the "Maturity Date"), the Principal Amount specified above and to pay interest thereon from the date of this bond, or the most recent date to which interest has been paid or duly provided for, until payment of this bond, at the Interest Rate specified in the Bond Legislation, payable on each Interest Payment Date.

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 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. Principal of and premium, if any, on this bond are payable upon presentation and surrender of this bond by the Registered Owner to the Registrar at maturity or upon prior redemption in full.

This bond is one of an authorized issue of bonds of like series, date and tenor, in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), and is issued to provide funds necessary to pay costs of the System.

The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes the State of Washington (the "State"), the County Charter and applicable ordinances duly adopted by the County, including Ordinance \_\_\_\_\_ of the County Council (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 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, and the County has covenanted to budget for each such payment of principal and interest when due. 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.

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

King County Executive

ATTEST:

Clerk of the County Council

Date of Authentication: \_\_\_\_\_.

CERTIFICATE OF AUTHENTICATION

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

WASHINGTON STATE FISCAL AGENT  
as Registrar

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-mentioned bond and hereby irrevocably constitutes and appoints \_\_\_\_\_ or  
its successor, as Registrar, to transfer this bond on the Bond Register with full power of substitution in  
the premises.

DATED: \_\_\_\_\_.

NOTE: The signature on this Assignment must  
correspond with the name of the Registered Owner  
as it appears upon the face of the within-mentioned  
bond in every particular, without alteration or  
enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signatures must be  
guaranteed pursuant to law.