

abatement plan (the "Project Bonds") and (ii) not to exceed \$1,000,000,000 principal amount of bonds to refund certain outstanding bonds payable from sewer revenues (the "Refunding Bonds"), and

WHEREAS, the Bond Ordinance authorizes such bonds to be sold in one or more series, as Parity Bonds or Parity Lien Obligations (as such terms are defined in the Bond Ordinance), as Tax-Exempt Bonds, Tax-Benefited Bonds or otherwise, and by negotiated sale or competitive bid, as determined by the county's director of finance and business operations division (the "Finance Director") in consultation with the county's financial advisors, and

WHEREAS, the Finance Director has determined that \$ _____ principal amount of Project Bonds (the "Project Portion") [and \$ _____ principal amount of Refunding Bonds (the "Refunding Portion")] be sold in a series of [Parity Bonds/Parity Lien Obligations] in the aggregate principal amount of \$ _____ to be designated as the county's [Sewer Revenue [and Refunding] Bonds, Series 20__ /Limited Tax General Obligation [and Refunding] Bonds (Payable from Sewer Revenue), 20__] (the "Bonds"), structured as [Tax-Exempt Bonds/Taxable Build America Bonds-Direct Payment/ _____], and sold by [competitive bid/negotiated sale], and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated _____, 20__, has been prepared for the sale of the Bonds, [the Official Notice of Bond Sale (the "Notice") has been distributed, and bids have been received in accordance with the Notice] [and the Finance Director has negotiated the sale of the Bonds to _____ (the "Underwriter")], and

WHEREAS, [the attached bid of _____ (the "Purchaser") to purchase the Bonds is the best bid received for the Bonds, and] it is in the best interest of the county that the Bonds be sold to the [Purchaser/Underwriter] on the terms set forth in [the Notice, the attached bid/the attached bond purchase contract], the Bond Ordinance, and this motion, and

WHEREAS, in accordance with the Bond Ordinance, the council wishes to ratify and confirm certain terms of the Bonds [and approve a plan of refunding certain outstanding sewer revenue bonds of the county

from proceeds of the Refunding Portion], as set forth herein;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. Definitions. Except as expressly authorized herein, capitalized terms used in this motion have the meanings set forth in the Bond Ordinance.

B. [Ratification of Notice of Sale, Acceptance of Bid,/Approval of Bond Purchase Contract] and Authorization of Bonds. The issuance of the Bonds, designated as set forth in the recitals of this motion, and the terms and conditions thereof as set forth in the [Official Notice of Bond Sale, attached hereto as Attachment A (the "Notice"),/Bond Purchase Contract attached hereto as Attachment A (the "Purchase Contract")] are hereby ratified and confirmed, and [Purchaser's bid to purchase the Bonds, as set forth on Attachment B (the "Bid"), is hereby accepted/the Purchase Contract is hereby approved]. The Bonds shall bear interest at the rates set forth in [the Bid/the Purchase Contract] and shall conform in all other respects to the terms and conditions specified in the [Notice, Bid/Purchase Contract] and Bond Ordinance. The Bonds shall be subject to redemption as set forth in the [Notice and Bid/Purchase Contract].

[In accordance with the Purchase Contract, the council hereby accepts the commitment from _____ (the "Insurer") to provide a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on the Bonds (the "Bond Insurance Policy"). The council further authorizes and directs all proper officers, agents, attorneys and employees of the county to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the county as shall be necessary or advisable in providing for the Bond Insurance Policy.]

C. Satisfaction of Parity Conditions. In accordance with the provisions of the ordinances authorizing the issuance of the currently outstanding [Parity Bonds/Parity Lien Obligations], which permit the issuance of additional [Parity Bonds/Parity Lien Obligations] upon compliance with the conditions set forth therein (the "Parity Conditions"), the county council hereby finds and determines, as follows:

[For Parity Bonds:

(i) The Project Portion of the Bonds is to be issued for the purpose of acquiring, constructing and installing portions of the Comprehensive Plan and for acquiring, constructing and installing necessary renewals or replacements of the System.

(ii) The Refunding Portion of the Bonds is to be issued for the purpose of refunding and retiring prior to their maturity certain outstanding obligations of the county payable from Revenue of the System.

(iii) There is not now, and when the Bonds are issued there will not then be, any deficiency in the Parity Bond Fund or any account therein.

(iv) The Bond Ordinance provides for payment out of the Parity Bond Fund of the principal of and interest on the Bonds and this motion provides for satisfaction of the Reserve Requirement, as required by the Parity Conditions.

(v) The county will have on file at the Closing of the Bonds a certificate of the Finance Director or of a Professional Utility Consultant to satisfy the revenue test for issuance of Future Parity Bonds required by the Parity Conditions.]

[For Parity Lien Obligations:

(i) The Project Portion of the Bonds is to be issued for lawful purposes of the County relating to the Sewer System;

(ii) The Refunding Portion of the Bonds is to be issued for the purpose of refunding and retiring prior to their maturity certain outstanding obligations of the county payable from Revenue of the System.

(iii) There is not now, and when the Bonds are issued there will not then be, any deficiency in the Parity Bond Fund, the Parity Lien Obligation Bond Fund or any other bond fund or account securing Parity Lien Obligations.

(iv) The county shall have on file at the Closing of the Bonds a certificate of a licensed

professional engineer experienced in the design, construction and operation of municipal utilities of scope similar to the System to satisfy the revenue test for issuance of additional Parity Lien Obligations required by the Parity Conditions.]

The applicable Parity Conditions having been complied with in connection with the issuance of the Bonds, the pledge contained in the Bond Ordinance of Revenue of the System to pay and secure the payment of the Bonds shall constitute a lien and charge upon such revenue equal in rank with the lien and charge upon the Revenue of the System to pay and secure the payment of the outstanding [Parity Bonds/Parity Lien Obligations].

D. Application of Project Bond Proceeds; Satisfaction of Reserve Requirement. In accordance with Section 15.A of the Bond Ordinance, there is hereby established a special subaccount within the Construction Account to be designated as the Series 20__ Construction Subaccount (the "Construction Subaccount"). Proceeds of the Project Portion (exclusive of accrued interest, if any, which shall be deposited into the Debt Service Account in the [Parity Bond Fund/Parity Lien Obligation Bond Fund]) shall be deposited in the Construction Subaccount and applied to pay costs of improvements to the System and costs of issuance of the Project Portion, in accordance with Section 15.A of the Bond Ordinance.

[In accordance with Section 9.C of the Bond Ordinance, proceeds of the Project Portion shall be [deposited into the Bond Reserve Account/used to purchase Qualified Insurance in the form of a surety bond (the "Surety Bond") from the Insurer] in an amount sufficient to satisfy the Reserve Requirement with respect to the Bonds. [The County agrees to the conditions for obtaining the Surety Bond, including the payment of the premium therefor and the other requirements to be set forth in an agreement to be approved and executed by the Finance Director on behalf of the county. The council further authorizes and directs all proper officers, agents, attorneys and employees of the county to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the county as shall be necessary or advisable in providing for the Surety Bond.]

[E. Refunding and Redemption of Refunded Bonds.

1. Plan of Refunding. In accordance with Sections 16 and 28 of the Bond Ordinance, the Finance Director has determined, in consultation with the county's financial advisors, that proceeds of the Refunding Portion shall be used to refund the following obligations of the county payable from sewer revenues pursuant to the plan of refunding set forth below and ratified and confirmed hereby:

Refunded Series _____ Bonds

Maturity (January 1) Principal Amount Interest Rate Call Date

Refunded Series _____ Bonds

Maturity (January 1)
Principal Amount
Interest Rate
Call Date

The Refunded Series _____ Bonds and Refunded Series _____ Bonds shall be referred to collectively in this motion as the Refunded Bonds. As provided in Section 16 of the Bond Ordinance, the King County Series 20 _____ Sewer System Bonds Refunding Account (the "Refunding Account") shall be established and maintained with the Escrow Agent (as identified below). Proceeds of the Refunding Portion (exclusive of accrued interest, if any, which shall be deposited into the Debt Service Account in the Bond Fund) shall be deposited in the Refunding Account and used, together with other funds of the county, if necessary, to purchase certain "Government Obligations" (which obligations so purchased are herein called "Escrow Securities"), bearing such interest and maturing as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of:

- (a) the interest on the Refunded Bonds due and payable on and prior to January 1, 20____; and
- (b) the redemption price (____% of the principal amount) payable on January 1, 20____, of the Refunded Bonds.

Any beginning cash balance and the Escrow Securities shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds in accordance with the ordinance(s) authorizing the Refunded Bonds. Any amounts described above that are not provided for in full by such beginning cash balance and the purchase and deposit with the Escrow Agent of the Escrow Securities shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Refunding Portion or any other money of the county legally available therefor. The proceeds of the Refunding Portion remaining in the Refunding Account after acquisition of the Escrow Securities and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Escrow Securities and the costs of issuing the Refunding Portion. The county may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required for the purposes set forth in subparagraphs (a) and (b) above, subject to verification in writing by an independent certified public accountant that such transfer will not result in inadequate funds being available to make the required payments therefrom. The county reserves the right to substitute other securities for the Escrow Securities in the event it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

The selection of _____ as Escrow Agent is hereby ratified and confirmed.

2. Redemption of Refunded Bonds. The county hereby irrevocably sets aside sufficient funds through the purchase of the Escrow Securities and an initial cash deposit to make the payments, as specified in subparagraphs (a) and (b) above.

The county hereby irrevocably defeases and calls for redemption on January 1, 20__, the Refunded Bonds in accordance with the provisions of the ordinance(s) authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final

establishment of the Refunding Account and delivery of the Escrow Securities and the requisite cash deposit, if any, to the Escrow Agent, except as provided herein relating to the substitution of securities. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance and redemption.

The Escrow Agent is hereby authorized and directed to notify the fiscal agency of the State of Washington to give notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the ordinance(s) authorizing their issuance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the county.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington sums sufficient to make, when due, the payments specified in subparagraphs (a) and (b) above. All such sums shall be paid from the money and the Escrow Securities deposited with the Escrow Agent pursuant to this section, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the Refunding Account. All money and Escrow Securities deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of the Bond Ordinance and with the laws of the State of Washington for the benefit of the county and the owners of the Refunded Bonds.

3. Findings of Saving and Defeasance. This council hereby finds and determines that the issuance and sale of the Refunding Portion at this time will effect a savings to the county and ratepayers of the System. In making such finding and determination, the council has given consideration to the interest on and the fixed maturities of the Refunding Portion and the Refunded Bonds, the costs of issuance of the Refunding Portion and the known earned income from the investment of the proceeds of sale of the Refunding Portion pending redemption and payment of the Refunded Bonds.

This council hereby further finds and determines that the Escrow Securities to be deposited with the

Escrow Agent and the income therefrom, together with any necessary beginning cash balance, are sufficient to defease and redeem the above-referenced Refunded Bonds and will discharge and satisfy the obligations of the county with respect to the Refunded Bonds under the ordinance(s) authorizing their issuance and the pledges of the county therein. Immediately upon the delivery of such Escrow Securities to the Escrow Agent and the deposit of any necessary beginning cash balance, the Refunded Bonds shall be deemed not to be outstanding under their respective authorizing ordinance(s) and shall cease to be entitled to any lien, benefit or security under such ordinance(s) except the right to receive payment from the Escrow Securities and beginning cash balance so set aside and pledged.]

F. Undertaking to Provide Ongoing Disclosure.

1. Contract/Undertaking. In accordance with Section 31 of the Bond Ordinance, this Section F constitutes the county's written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

2. Financial Statements/Operating Data. The county agrees to provide or cause to be provided to the MSRB the following annual financial information and operating data for the prior fiscal year (commencing in 20__ for the fiscal year ended December 31, 20__):

[For Parity Bonds:

(a) Annual financial statements showing year-end fund balance for the County's Water Quality Enterprise fund prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Appendix __: Excerpts from the County's 20__ Comprehensive Annual Financial Report";

(b) Amount of outstanding Parity Bonds; and

(c) Information regarding customers, revenues and expenses of the System generally in the form set forth in the Official Statement for the Bonds in the table labeled "Summary of Historical Sewer

System Customers, Revenues and Expenses."

Items (b) and (c) shall be required only to the extent that such information is not included in the annual financial statements.]

[For Parity Lien Obligations:

(a) Annual financial statements prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Appendix ___, Audited 20___ Financial Statements";

(b) A summary of budgeted general fund revenues and appropriations;

(c) A summary of the assessed valuation of taxable property in the county;

(d) A summary of the ad valorem property tax levy and delinquency rate;

(e) A schedule of the aggregate annual debt service on tax-supported indebtedness of the county;

(f) A summary of outstanding tax-supported indebtedness of the county; and

(g) Information regarding customers, revenues and expenses of the System generally in the form set forth in the Official Statement for the Bonds in the table labeled "Summary of Historical Sewer System Customers, Revenues and Expenses."

Items (b) through (g) shall be required only to the extent that such information is not included in the annual financial statements.]

Such annual information and operating data described above shall be provided on or before seven months after the end of the county's fiscal year. The county's fiscal year currently ends on December 31. The county may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the county may cross-refer to other documents available to the public on the MSRB's internet website or filed with the Commission.

If not provided as part of the annual financial information discussed above, the county shall provide to the MSRB the county's audited annual financial statement prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available.

3. Material Events. The county agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) Modifications to rights of Bond holders;
- (h) Optional, contingent or unscheduled calls of any Bonds other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds; and
- (k) Rating changes.

[For Parity Bonds: Solely for purposes of disclosure, and not intending to modify this undertaking, the county advises with reference to item (j) above that no property secures payment of the Bonds.]

[For Parity Lien Obligations: Solely for purposes of disclosure, and not intending to modify this undertaking, the county advises with reference to items (c) and (j) above that no debt service reserves or property secure payment of the Bonds.]

4. Notification Upon Failure to Provide Financial Data. The county agrees to provide or cause to be provided to the MSRB, in a timely manner, notice of its failure to provide the annual financial information described in subsection 2 above on or prior to the date set forth in subsection 2 above.

5. EMMA; Format for Filings with the MSRB. Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

6. Termination/Modification. The county's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such opinion and the cancellation of this section.

Notwithstanding any other provision of this motion, the county may amend this Section F, and any provision of this Section F may be waived, with an approving opinion of nationally recognized bond counsel and in accordance with the Rule.

In the event of any amendment or waiver of a provision of this Section F, the county shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the county. In addition, if an amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of

such change shall be given in the same manner as for a material event under subsection 3, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

7. Bond Owner's Remedies Under This Section. The right of any Bond owner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the county's obligations hereunder, and any failure by the county to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds hereunder. For purposes of this section, "Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

G. Further Authority. The county officials, their agents, attorneys and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Bonds and for the proper use and application of the proceeds of such sale.

H. Severability. If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this motion and shall in no way affect the validity of the other provisions of this motion or of the Bonds.