

sale or to the federal government or another purchaser, as determined by the Finance Director in consultation with the county's financial advisor, and

WHEREAS, the Finance Director has determined that a series of Bonds authorized pursuant to the Ordinance, designated as the county's Sewer Revenue Bond (WIFIA - N19128WA), in the aggregate principal amount of not to exceed \$96,844,510, be sold as provided in this motion, and

WHEREAS, it is in the best interest of the county and the ratepayers of the System that the WIFIA Bond (defined herein) be sold to the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency ("the WIFIA Lender"), on the terms set forth in the Ordinance, this motion, and the WIFIA Loan Agreement (each as defined herein);

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

A. **Definitions.** Capitalized words that are used in this motion but not defined in this motion have the meanings set forth in the Ordinance for all purposes of this motion, unless some other meaning is plainly intended. The words and terms defined in this motion, as used in this motion, have the meanings assigned such terms in this motion, for all purposes of this motion, unless some other meaning is plainly intended.

B. **Authorization of WIFIA Bond.** The issuance of the county's Sewer Revenue Bond (WIFIA - N19128WA) ("the WIFIA Bond"), in the principal amount of not to exceed \$96,844,510, as a Parity Bond under the Ordinance, to pay costs of capital improvements to the System, in accordance with the Comprehensive Plan and the Capital Improvement Budget, is hereby authorized and approved. The WIFIA Bond shall be designated as the county's Sewer Revenue Bond (WIFIA - N19128WA), with the year of delivery included in the bond designation.

C. **WIFIA Loan Term Sheet and WIFIA Loan Agreement.** The Finance Director is authorized, on behalf of the county, to execute and deliver to the WIFIA Lender the WIFIA Loan Term Sheet, in substantially the form attached to this motion as Attachment A to this motion, with such changes thereto, if any,

as may be approved by the Finance Director in consultation with appropriate county officials and advisors ("the WIFIA Loan Term Sheet"), and such execution and delivery is hereby ratified and confirmed. The signature of the Finance Director on the WIFIA Loan Term Sheet shall conclusively evidence the county's approval of the WIFIA Loan Term Sheet. The Finance Director is further authorized, on behalf of the county, to execute and deliver to the WIFIA Lender the WIFIA Loan Agreement, in substantially the form attached to this motion as Attachment B to this motion, with such changes thereto, if any, as may be approved by the Finance Director in consultation with appropriate county officials and advisors ("the WIFIA Loan Agreement"), and the signature of the Finance Director on the WIFIA Loan Agreement shall conclusively evidence the county's approval of the WIFIA Loan Agreement.

D. **Details of WIFIA Bond.** The WIFIA Bond shall be dated its date of issue and delivery and shall be substantially in the form attached as Exhibit A to the WIFIA Loan Agreement. The terms of the WIFIA Bond established in the WIFIA Loan Agreement, including the year and series designation, date, principal amount, interest payment dates, interest rates, maturity schedule, prepayment provisions, and other terms of the WIFIA Bond, are ratified and confirmed. The WIFIA Bond initially shall be registered in the name of the WIFIA Lender. Principal of and interest on the WIFIA Bond shall be payable to the WIFIA Lender or the Registered Owner, as applicable, in the manner, on the payment dates, and in the amounts and at the rates, all as provided in the WIFIA Loan Agreement. The WIFIA Bond is not designated as a Tax-Exempt Obligation. The WIFIA Bond shall be subject to prepayment as provided in the WIFIA Loan Agreement. The Finance Director or his or her designee shall be the Registrar for the WIFIA Bond for the purposes of registering and authenticating the WIFIA Bond, maintaining the Bond Register with respect to the WIFIA Bond, effecting the transfer of ownership of the WIFIA Bond and paying principal of and interest on the WIFIA Bond.

E. **Satisfaction of Parity Conditions.** In accordance with the Ordinance and the provisions of the ordinances authorizing the issuance of the outstanding Parity Bonds, which permit the issuance of Future Parity Bonds upon compliance with the conditions set forth therein, the county council hereby finds and determines,

as follows:

1. There is not now, and when the WIFIA Bond is issued there will not then be, any deficiency in the Parity Bond Fund or any account therein.
2. The Ordinance provides for payment of the principal of and interest on the WIFIA Bond out of the Parity Bond Fund.
3. The amount that will be on deposit in the Parity Bond Reserve Account at the Closing of the WIFIA Bond will satisfy the Reserve Requirement, and in connection with any draw under the WIFIA Loan Agreement the Finance Director will confirm whether any additional amount is required to be deposited to the Parity Bond Reserve Account to satisfy the Reserve Requirement and such additional amount, if any, shall be deposited to the Parity Bond Reserve Account from the proceeds of the draw or other sources on or prior to the date of such draw.
4. The county will have on file at the Closing of the WIFIA Bond a certificate of the Finance Director demonstrating that, during any 12 consecutive calendar months out of the immediately preceding 18 calendar months, Net Revenue was at least equal to 1.25 times the amount required to pay, in each year that the WIFIA Bond will be outstanding, the Annual Parity Debt Service for such year, assuming for this purpose that all draws permitted under the WIFIA Loan Agreement are made at the Closing of the WIFIA Bond.

The applicable conditions for Future Parity Bonds having been complied with in connection with the issuance of the WIFIA Bond, the pledge contained in the Ordinance of Revenue of the System to pay and secure the payment of the WIFIA Bond will constitute a lien and charge on Revenue of the System equal in rank with the lien and charge on the Revenue of the System to pay and secure the payment of the outstanding Parity Bonds.

F. **Designation as Refunding Candidate.** The WIFIA Bond is hereby designated as a "Refunding Candidate" for purposes of ordinances of the county authorizing the issuance of bonds to refund outstanding

obligations of the county payable from Revenue of the System.

G. **Disposition of Bond Proceeds.** Proceeds of draws under the WIFIA Loan Agreement may be used to pay capitalized interest and to make deposits to the Parity Bond Reserve Account if and as necessary to satisfy the Reserve Requirement. The balance of any draw will be deposited in the Construction Subaccount for the WIFIA Bond and applied for the purposes permitted under the Ordinance.

H. **Further Authority.** The county officials and their agents, attorneys and representatives are hereby authorized and directed to do everything necessary for the sale, issuance, execution and delivery of the WIFIA Bond and for the proper use and application of the proceeds of the WIFIA Bond, all in accordance with the provisions of the Ordinance, this motion and the WIFIA Loan Agreement.

I. **Severability.** If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then that 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 WIFIA Loan Agreement or the WIFIA Bond.