

SOUND TRANSIT

RESOLUTION NO. R2016-33

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, SUBJECT TO CERTIFICATION OF VOTER APPROVAL, DESIGNATING SOUND TRANSIT THREE SALES AND USE AND MOTOR VEHICLE EXCISE TAXES AS ADOPTED PRIOR RATE ADJUSTMENTS, INCLUDING SUCH TAXES AS LOCAL OPTION TAXES AND PLEDGING SUCH TAXES TO THE PAYMENT OF PRIOR BONDS; AMENDING RESOLUTION NO. R2012-14, AS AMENDED BY RESOLUTION NO. R2015-15; AND PROVIDING AN EFFECTIVE DATE.

ADOPTED NOVEMBER 29, 2016

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ADOPTED NOVEMBER 29, 2016

BE IT RESOLVED by the Board of Directors of The Central Puget Sound Regional Transit Authority:

Section 1. Definitions. Unless the context otherwise requires, the meanings of all capitalized terms used and not otherwise defined in this Resolution shall be as set forth in Resolution No. R2012-14, adopted by the Board on June 28, 2012, as amended by Resolution No. R2015-15, adopted by the Board on July 23, 2015 (the Prior Bond Resolution), and the following terms shall have the following meanings in this Resolution:

“Sound Transit 3 Plan” means the Sound Transit 3 Regional Transit System Plan adopted pursuant to Resolution No. R2016-16, adopted by the Board on June 23, 2016.

“ST3 Motor Vehicle Tax” means the additional motor vehicle excise tax authorized by RCW 81.104.160 and, subject to voter approval pursuant to Resolution No. R2016-17, adopted by the Board on June 23, 2016, fixed, levied, and imposed on November 29, 2016, for collection commencing January 1, 2017, at the rate of 0.8 percent.

“ST3 Sales Tax” means the additional sales and use tax authorized by RCW 81.104.170 and, subject to voter approval pursuant to Resolution No. R2016-17, adopted by the Board on June 23, 2016, fixed, levied, and imposed on November 29, 2016, for collection commencing January 1, 2017, at the rate of 0.5 percent.

Section 2. Findings and Determinations. The Board finds and determines as follows.

(a) Pursuant to Resolution No. R2016-16, adopted by the Board on June 23, 2016, the Board authorized and adopted the Sound Transit 3 Plan as a regional transit system plan to provide additional high capacity transportation facilities in the central Puget Sound region.

(b) Pursuant to Resolution No. R2016-17, adopted by the Board on June 23, 2016, subject to voter approval, the Board fixed, levied, and imposed the ST3 Sales Tax and the ST3 Motor Vehicle Tax on November 29, 2016, for collection commencing January 1, 2017.

(c) Pursuant to the Prior Bond Resolution, the Authority may adopt a Supplemental Resolution, without the consent or concurrence of any Owner of Prior Bonds, to subject

additional revenues to the pledge of the Prior Bond Resolution, and to make such confirming changes as may be necessary or desirable in connection therewith.

(d) The pledges of taxes made herein and other provisions of this Resolution will benefit the Authority and the Owners of the Prior Bonds.

Section 3. Designation of ST3 Sales Tax and ST3 Motor Vehicle Tax as Adopted Prior Rate Adjustments; Inclusion of ST3 Sales Tax and ST3 Motor Vehicle Tax as Local Option Taxes and Pledge of ST3 Sales Tax and ST3 Motor Vehicle Tax to Prior Bonds. Subject to certification of approval of the ST3 Sales Tax and the ST3 Motor Vehicle Tax at an election held on November 8, 2016, the ST3 Sales Tax and the ST3 Motor Vehicle Tax are designated as Adopted Prior Rate Adjustments, included as "Local Option Taxes" and pledged to the payment of the Prior Bonds.

Section 4. Amendment of Section 1 of Prior Bond Resolution. Subject to certification of approval of the ST3 Sales Tax and the ST3 Motor Vehicle Tax at an election held on November 8, 2016, the definition of the following term in Section 1 of the Prior Bond Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

Local Option Taxes means the special motor vehicle excise tax and rental car sales and use tax authorized by RCW 81.104.160 and the sales and use tax authorized by RCW 81.104.170, initially approved at an election held on November 5, 1996, together with the additional sales and use tax approved at an election held on November 4, 2008, together with the additional motor vehicle excise tax and sales and use tax approved at an election held on November 8, 2016, as such taxes may be levied from time to time by the Authority.

Section 5. Amendment of Section 2(c) of Prior Bond Resolution. Subject to certification of approval of the ST3 Sales Tax and the ST3 Motor Vehicle Tax at an election held on November 8, 2016, Section 2(c) of the Prior Bond Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

(c) *Pledge of Local Option Taxes and Certain Accounts.* So long as any Prior Bonds remain Outstanding, the Authority hereby irrevocably obligates and binds itself to deposit all Local Option Taxes into the Local Option Tax Accounts. All Prior Bonds now or hereafter Outstanding shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the Series Resolution providing for their issuance or by reason of their Series or date of sale or delivery; provided, that any Series of Prior Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that Series of Prior Bonds. The Authority hereby designates the additional sales and use tax approved at an election held on November 4, 2008, and imposed by Resolution No. R2008-15, as an Adopted Prior Rate Adjustment and a component of Local Option Taxes pledged to the payment of the Prior Bonds. The Authority has designated the additional sales and use tax and additional motor vehicle excise tax approved at an election held on November 8, 2016, and imposed by Resolution No. R2016-17, as

Adopted Prior Rate Adjustments and components of Local Option Taxes pledged to the payment of the Prior Bonds.

All Prior Bonds are special limited obligations of the Authority payable from and secured solely by Local Option Taxes and amounts, if any, in the Prior Bond Account, the Prior Reserve Account and any project account created for the deposit of Prior Bond proceeds.

There is hereby pledged for the payment of the Prior Bonds the Local Option Taxes and amounts in the Local Option Tax Accounts, the Prior Bond Account, the Prior Reserve Account, and any project account created for the deposit of Prior Bond proceeds, and such pledge is hereby declared to be a prior charge upon the Local Option Taxes and such accounts superior to all other charges of any kind or nature.

Section 6. Amendment of Section 8(a) of Prior Bond Resolution. Subject to certification of approval of the ST3 Sales Tax and the ST3 Motor Vehicle Tax at an election held on November 8, 2016, Section 8(a) of the Prior Bond Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

(a) *Tax Levy Covenant.* So long as any Prior Bonds remain Outstanding, the Authority shall fix, levy and impose the Motor Vehicle Tax at a rate of not less than ~~three-tenths~~ one and one-tenth of one percent and the Sales Tax at a rate of not less than ~~nine-tenths~~ one and four-tenths of one percent; provided, that the Authority may levy the Sales Tax at a rate of not less than ~~eight-tenths~~ one and three-tenths of one percent so long as the Sufficiency Test is met. To the extent permitted by law and approved by the voters (if a vote is required), the Authority may, in a Series Resolution or a Supplemental Resolution, pledge to the payment of the Prior Bonds the Motor Vehicle Tax in excess of ~~three-tenths~~ one and one-tenth of one percent and the Sales Tax in excess of ~~nine-tenths~~ one and four-tenths of one percent.

If the Authority is levying the Sales Tax at a rate less than ~~nine-tenths~~ one and four-tenths of one percent and the Sufficiency Test is not met for a Fiscal Year, within 90 days after the end of that Fiscal Year the Authority shall take all action required on its part to increase the rate of the Sales Tax levied, but not to exceed ~~nine-tenths~~ one and four-tenths of one percent, for the purpose of meeting the Sufficiency Test.

The Authority shall take all reasonable actions necessary to fix, levy and impose and provide for the continued collection of the Local Option Taxes and the application of those taxes for payment of the Prior Bonds in accordance with this Resolution.

Section 7. Amendment of Section 13(c) of Prior Bond Resolution. Subject to certification of approval of the ST3 Sales Tax and the ST3 Motor Vehicle Tax at an election held on November 8, 2016, Section 13(c) of the Prior Bond Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

(c) *Special Amendments.* The Owners from time to time of the Outstanding Prior Bonds, other than the Owners from time to time of Outstanding 1999 Prior Bonds (whose consent shall be required consistent with Section 13(b)), by taking and holding the same, shall be deemed to have consented to the adoption by the Authority of any Supplemental Resolution or Resolutions amendatory or supplemental to this Resolution for any one or more of the following purposes:

- (i) ~~After the 1999 Prior Bonds are no longer Outstanding, to delete the Motor Vehicle Tax from the definition of "Local Option Taxes";~~
- (ii) After the 1999 Prior Bonds are no longer Outstanding, to levy the Motor Vehicle Tax at a rate of less than ~~three-tenths~~ one and one-tenth of one percent (~~which rate may be zero~~), but not less than eight-tenths of one percent;
- (iii) To delete Section 14(a) of this Resolution;
- (ivii) To establish for any one or more Series of Future Prior Bonds a separate reserve account requirement for such Series (which may be zero) and, if applicable, a separate reserve account or accounts to secure such Series, which Series shall not be secured by the Prior Reserve Account, and which separate reserve account or accounts shall not secure the Prior Bonds secured by the Prior Reserve Account, and in satisfying the conditions to the issuance of Future Prior Bonds that will not be secured by the Prior Reserve Account, to disregard the requirement that an amount equal to the Prior Reserve Account Requirement (including for the Future Prior Bonds to be issued) be on deposit or otherwise provided for in the Prior Reserve Account on or prior to the date of issuance of such Future Prior Bonds;
- (iv) To permit federal credit payments received in respect of Outstanding Build America Prior Bonds (other than federal credit payments received under a Payment Agreement) to be deposited into the Prior Bond Account and credited against the Local Option Taxes otherwise required to be deposited into the Prior Bond Account; or
- (vi) To permit federal credit payments scheduled to be received in any Fiscal Year in respect of Outstanding Build America Prior Bonds (other than federal credit payments received under a Payment Agreement) to be credited against the amount required in that Fiscal Year to pay for the principal of and interest on all Prior Bonds Outstanding in calculating Annual Prior Bond Debt Service for that Fiscal Year.

Section 8. Severability. If any one or more of the provisions of this Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed separable from, and shall in no way affect the validity of, any of the other provisions of this Resolution or of the Prior Bonds.

Section 9. Ratification of Prior Acts. Any action taken by or on behalf of the Authority and consistent with the intent of this Resolution but prior to the effective date of this Resolution is hereby ratified, approved, and confirmed.

Section 10. Effective Date. Except as otherwise expressly provided herein, this Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of Directors of The Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 29, 2016.



Paul Roberts
Board Vice Chair

ATTEST:



Kathryn Fibres
Board Administrator

CERTIFICATE

I, the undersigned, Administrator of the Board of Directors (the "Board") of The Central Puget Sound Regional Transit Authority (the "Authority"), HEREBY CERTIFY:

1. That the attached resolution numbered R2016-33 (the "Resolution") is a true and correct copy of a resolution of the Authority, as finally adopted at a regular meeting of the Board held on the 29th day of November, 2016, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out, and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 29th day of November, 2016.

Kathryn Flores

Kathryn Flores
Board Administrator

