



Resolution No. R2026-16

Refunding of 2016S-1 Parity Bonds

Meeting:	Date:	Type of action:
Board	06/25/2026	Final Action

Staff name:	Staff title:
Victoria Wassmer	Finance and Business Administration Deputy CEO
Hughey Newsome	Chief Financial Officer
Jeff Clark	Executive Director-Controller

Proposed action

Authorizes the refunding of the callable portion of the Agency's 2016S-1 Parity Bonds by authorizing the issuance of sales tax and motor vehicle excise tax refunding bonds of one or more series to refund all or a portion of certain outstanding bonds of the authority, approving parameters for the terms of the bonds, delegating authority to the designated authority representative to approve the terms of and bond purchase contract for the bonds, and approving other matters related thereto.

Key features summary

- This action responds to the Board's direction to seek opportunities to reduce costs.
- This resolution authorizes the issuance of sales tax and motor vehicle excise tax refunding bonds (2026 Parity Refunding Bonds) not to exceed \$250,000,000. The outstanding 2016S-1 bonds qualify for current refunding and present the opportunity to lower interest rates on agency debt.
- The Agency issued certain debt in 2016 (Series 2016S-1) with a ten-year call option. The option allows the Agency to refund the debt at current market interest rates. Market interest rates are favorable versus the rate on the 2016 debt. Refunding the debt decreases debt service costs while not changing the total amount of Agency debt. The anticipated savings of this action is approximately \$23 million.
- Authority will be delegated to the Chief Financial Officer to serve as the Designated Authority Representative authority to:
 - Negotiate and approve the final terms of the bonds and the amount of any debt service reserve requirement;
 - Negotiate and approve the terms of bond purchase agreements, disclosure documents and other documents as necessary; and
 - Determine the amount of debt service on 2026 Parity Bonds that will be payable in connection with the issuance of the 2026 Parity Bonds and to amend or cause to be amended the Authority's adopted budgets to include such amounts.

Background

As a part of its funding of the capital program, Sound Transit's financial plan requires the issuance of long-term bonds. The Agency issues both fixed and variable rate bonds within a consolidated borrowing program with the goal of minimizing net interest payments over time. Within this program the Agency maintains a series of bond indentures (prior lien, parity lien, junior liens) to minimize borrowing costs and most effectively access the capital markets. Consistent with Sound Transit's Debt Management Policy and practice, staff thoroughly evaluate all options before any financing transaction to ensure the financing instrument used can meet Sound Transit's Asset Liability Management goals.

Bank of America, JPMorgan, and Barclay's are the Underwriters, Piper Sandler is the Financial Advisor, Pacifica Law Group LLP is the Bond Counsel, Orrick, Herrington & Sutcliffe LLP is the Disclosure Counsel, and Foster Garvey PC is the Underwriters' Counsel for these actions.

Fiscal information

This action provides authority to amend budgets to reflect changes to financial amounts in connection with the issuance of the 2026 Parity Bonds. The action is a refunding for savings and the Designated Authority Representative is authorized and directed to determine the amount of debt service on 2026 Parity Bonds that will be payable in connection with the issuance of the 2026 Parity Bonds and to amend or cause to be amended the Authority's adopted budgets to include such amounts.

Disadvantaged and small business participation

Not applicable to this action.

Apprentice utilization commitment

Not applicable to this action.

Title VI compliance

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

Delay in approving this action at the June Board meeting could lead to lost market and cost saving opportunities.

Prior Board/Committee actions

Resolution No. R2016-34: Restated as a Parity Bond Master Resolution, Resolution No. R2015-16, as amended by Resolution No. R2016-32; provided for the issuance from time to time pursuant to series resolutions of future parity bonds of the Authority to finance or refinance portions of the Authority's regional transit system; provided for the payment of such parity bonds; and provided an effective date.

Resolution No. R2016-32: Authorized the issuance of up to \$400,000,000 of sales tax and motor vehicle excise tax bonds as 2016 Parity Bonds; appointed the Executive Director of Finance and Information Technology, the Chief Executive Officer or the Treasurer as the Designated Authority Representative and delegates to the Designated Authority Representative the authority to approve the final terms of the 2016 Parity Bonds in accordance with the parameters set forth in the resolution;

authorized the amendment of the adopted 2017 Budget by the amount necessary to pay debt service and the costs of issuing the 2016 Parity Bonds after the conclusion of the bond sale; and amended the existing Parity Bond Master Resolution to pledge the existing MVET, the ST3 Sales Tax and ST3 MVET to the payment of all Parity Bonds and Junior Obligations.

Resolution No. R2015-16: Restated as a Parity Bond Master Resolution, Resolution No. R2012-16, as amended by Resolution No. R2015-13; provided for the issuance from time to time pursuant to series resolutions of future parity bonds of the authority to finance or refinance portions of the authority's regional transit system; provided for the payment of such parity bonds; and provided an effective date.

Environmental review – KH 6/8/26

Legal review

The Sound Transit Legal Department, Sound Transit's Bond Counsel (Pacifica Law Group LLP), Sound Transit's Disclosure Counsel (Orrick, Herrington & Sutcliffe LLP) and counsel to the Underwriters' (Foster Garvey PC) will have authored and/or reviewed all bond-related documents.

SOUND TRANSIT

**SERIES RESOLUTION
(PARITY BONDS)**

RESOLUTION NO. R2026-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY AUTHORIZING THE ISSUANCE OF SALES TAX AND MOTOR VEHICLE EXCISE TAX REFUNDING BONDS OF ONE OR MORE SERIES TO REFUND ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY; APPROVING PARAMETERS FOR THE TERMS OF THE BONDS; DELEGATING AUTHORITY TO THE DESIGNATED AUTHORITY REPRESENTATIVE TO APPROVE THE TERMS OF AND BOND PURCHASE CONTRACT FOR THE BONDS; AND APPROVING OTHER MATTERS RELATED THERETO.

ADOPTED _____, 2026

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A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY AUTHORIZING THE ISSUANCE OF SALES TAX AND MOTOR VEHICLE EXCISE TAX REFUNDING BONDS OF ONE OR MORE SERIES TO REFUND ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY; APPROVING PARAMETERS FOR THE TERMS OF THE BONDS; DELEGATING AUTHORITY TO THE DESIGNATED AUTHORITY REPRESENTATIVE TO APPROVE THE TERMS OF AND BOND PURCHASE CONTRACT FOR THE BONDS; AND APPROVING OTHER MATTERS RELATED THERETO.

ADOPTED: [JUNE 25], 2026

WHEREAS, the Central Puget Sound Regional Transit Authority (the "Authority") has authorized the issuance of sales tax and motor vehicle excise tax bonds (the "Parity Bonds") in one or more series pursuant to Resolution No. R2015-16, adopted on July 23, 2015, as amended by Resolution No. R2016-32, adopted on November 29, 2016, and as amended and restated by Resolution No. R2016-34, adopted on November 29, 2016 (the "Parity Bond Master Resolution") to finance and refinance improvements for the purpose of providing high capacity transportation service; and

WHEREAS, the issuance of Parity Bonds must be approved by a Series Resolution (as defined in the Parity Bond Master Resolution) that specifies certain terms of and conditions relating to the sale of such Parity Bonds; and

WHEREAS, the Authority has previously issued its Sales Tax and Motor Vehicle Excise Tax Bonds, Series 2016S-1 (Green Bonds) (the "2016S-1 Parity Bonds"); and

WHEREAS, the 2016S-1 Parity Bonds maturing on November 1 in the years 2027 through 2036, inclusive, and 2041 are subject to optional redemption in whole or in part on November 1, 2026, or on any date thereafter; and

WHEREAS, the Authority now desires to proceed with the refunding of all or a portion of the callable 2016S-1 Parity Bonds for debt service savings;

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 Series Resolution (including the recitals, which are incorporated herein by this reference) shall be as set forth in the Parity Bond Master Resolution.

“Acquired Obligations” means those Government Obligations purchased to accomplish the refunding of the Refunded Bonds as authorized by this Series Resolution, but only to the extent that the same are acquired at Fair Market Value.

“Authorized Denomination” means, unless otherwise determined by the Designated Authority Representative pursuant to Section 8, \$5,000 or any integral multiple of \$5,000 within a Series, maturity, and interest rate of 2026 Parity Bonds.

“Bond Purchase Agreement” has the meaning set forth in Section 8.

“Closing Date” means, for the 2026 Parity Bonds of each Series, the date of delivery of the 2026 Parity Bonds of such Series to the Underwriters thereof.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2026 Parity Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2026 Parity Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means one or more of the Authority's Continuing Disclosure Certificates dated the Closing Date for the 2026 Parity Bonds of each applicable Series, in the form approved by the Designated Authority Representative, as originally executed and as it may be amended in accordance with the terms thereof.

“Designated Authority Representative,” for purposes of this Series Resolution and the 2026 Parity Bonds, includes the Chief Financial Officer of the Authority.

“Escrow Agent” means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

“Escrow Agreement” means one or more escrow agreements between the Authority and the Escrow Agent.

“Interest Payment Date” means, unless otherwise determined by the Designated Authority Representative pursuant to Section 8, May 1 and November 1.

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

“Record Date” means, unless otherwise determined by the Designated Authority Representative pursuant to Section 8, the Bond Registrar's close of business on the 15th day of the month preceding an Interest Payment Date, regardless of whether or not the 15th day is a business day. With respect to redemption of a 2026 Parity Bond prior to its maturity date, unless otherwise determined by the Designated Authority Representative pursuant to Section 8,

“Record Date” means the Bond Registrar's close of business on the date preceding the date on which the Bond Registrar mails the redemption notice.

“Refunded Bonds” means all or a portion of the Refunding Candidates designated by the Designated Authority Representative to be refunded with a portion of the proceeds of the 2026 Parity Bonds.

“Refunding Candidates” means all or any portion of the 2016S-1 Parity Bonds.

“Refunding Plan” means:

(a) The issuance of the 2026 Parity Bonds in one or more Series to refund all or a portion of the Refunding Candidates and, as necessary, the deposit with the Escrow Agent appointed by the Designated Authority Representative of proceeds of the related series of 2026 Parity Bonds on the date of issuance of such series of 2026 Parity Bonds, together with other money of the Authority allocated to the Refunding Plan, which amounts may be used to redeem the Refunding Candidates and/or acquire the Acquired Obligations;

(b) The application of such money and/or Acquired Obligations as set forth in the Escrow Agreement and/or as further specified by the Designated Authority Representative consistent with purposes and intents of this Series Resolution.

“Tax Certificate” means one or more certificates executed by the Authority setting forth the requirements of the Code for maintaining the tax exemption of interest on a Series of Tax-Exempt 2026 Parity Bonds to be dated as of the date of issue for such Tax-Exempt 2026 Parity Bonds.

“Tax-Exempt 2026 Parity Bonds” means any 2026 Parity Bonds that are Tax-Exempt Parity Bonds.

“Underwriters” has the meaning set forth in Section 8 of this Series Resolution.

“2026 Parity Bond Resolutions” means, together, the Parity Bond Master Resolution and this Series Resolution.

“2026 Parity Bonds” means The Central Puget Sound Regional Transit Authority Sales Tax and Motor Vehicle Excise Tax Refunding Bonds authorized to be issued pursuant to the 2026 Parity Bond Resolutions.

“2026 Refunding Bond Proceeds Accounts” means the account of the Authority designated as the “2026 Refunding Bond Proceeds Account” established pursuant to Section 11(a) of this Series Resolution.

“2026 Term Parity Bonds” means the 2026 Parity Bonds that are Term Parity Bonds.

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

(a) The Authority has authorized the issuance of Parity Bonds in one or more Series pursuant to the Parity Bond Master Resolution to finance and refinance improvements for the purpose of providing high-capacity transportation facilities.

(b) The issuance of Parity Bonds of each Series must be permitted under the Parity Bond Master Resolution and be issued pursuant to a Series Resolution that specifies certain terms of and conditions relating to the sale of such Parity Bonds.

(c) The Authority desires to issue Parity Bonds, in one or more series pursuant to the Parity Bond Master Resolution, to refund all or a portion of the Refunding Candidates.

Section 3. Compliance with Future Parity Bonds Conditions. As required by Sections 7 and 8 of the Parity Bond Master Resolution (and in addition to any conditions that might be required pursuant to the TIFIA Loan Agreement as defined in the Parity Bond Master Resolution), the Authority finds as follows:

(a) The 2026 Parity Bonds will be issued for the purpose of refunding outstanding Parity Bonds of the Authority resulting in debt service savings.

(b) There is no deficiency in the Parity Bond Account.

(c) An amount equal to the Parity Reserve Account Requirement or other reserve requirement, if any, for the 2026 Parity Bonds to be issued is on deposit or is otherwise provided for.

(d) No Default has occurred and is continuing.

Section 4. Authorization and Description of 2026 Parity Bonds.

(a) For the purposes of refunding all or a portion of the Refunding Candidates, paying costs of issuing the 2026 Parity Bonds and effecting the Refunding Plan, the Authority is authorized to borrow money on the credit of the Authority and to issue the 2026 Parity Bonds in an aggregate principal amount not to exceed the amount provided for in Section 8 hereof. The 2026 Parity Bonds may be issued as one or more separate Series. The 2026 Parity Bonds may be issued as Tax-Exempt Parity Bonds; shall be issued as fixed-rate Parity Bonds in Authorized Denominations; shall be dated the related Closing Date for each Series of 2026 Parity Bonds; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for identification; and shall bear interest from their date until such 2026 Parity Bonds bearing such interest have been paid or their payment has been duly provided for, payable semiannually on each Interest Payment Date (commencing on the Interest Payment Date specified by the Designated Authority Representative). The 2026 Parity Bonds shall mature on November 1 in the years and amounts and shall bear interest at the rates per annum as shall be determined pursuant to Section 8 hereof.

(b) Interest on the 2026 Parity Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Any amount received as original issue premium on the 2026 Parity Bonds may be disregarded in determining the principal amount of 2026 Parity Bonds issued within the authorization of this Series Resolution.

Section 5. Redemption of 2026 Parity Bonds. The 2026 Parity Bonds of each Series may be subject to redemption as provided in this Section and in Section 8.

(a) *Optional Redemption.* Pursuant to Section 8, the Designated Authority Representative may determine that any 2026 Parity Bond is (i) subject to redemption at the option of the Authority prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement or (ii) not subject to redemption at the option of the Authority prior to its maturity date.

(b) *Mandatory Redemption.* Pursuant to Section 8, the Designated Authority Representative may determine that any 2026 Parity Bond is designated as a 2026 Term Parity Bond, subject to mandatory redemption prior to its maturity date on the dates and in the amounts set forth in the Bond Purchase Agreement. If a 2026 Term Parity Bond is redeemed at the option of the Authority, defeased, or purchased by the Authority for cancellation, the principal amount of the 2026 Term Parity Bond so redeemed, defeased, or purchased by the Authority for cancellation (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for the 2026 Term Parity Bond. The Authority shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for the 2026 Term Parity Bond for which notice of redemption has not already been given.

(c) *Selection of 2026 Parity Bonds for Redemption.* If fewer than all of the Outstanding 2026 Parity Bonds are to be redeemed at the option of the Authority, the Authority shall select the Series, maturities (or scheduled mandatory redemption installments), and interest rates to be redeemed. If fewer than all of the Outstanding 2026 Parity Bonds of a Series, maturity, and interest rate are to be redeemed, unless otherwise determined by the Designated Authority Representative pursuant to Section 8, DTC shall select 2026 Parity Bonds registered in the name of DTC or its nominee to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other 2026 Parity Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine.

(d) *Partial Redemption.* All or a portion of the principal amount of any 2026 Parity Bond that is to be redeemed may be redeemed in any Authorized Denomination so long as the 2026 Parity Bonds that are to remain Outstanding are in Authorized Denominations. If less than all of the Outstanding principal amount of any 2026 Parity Bond is redeemed, upon surrender of the 2026 Parity Bond to the Bond Registrar, there shall be issued to the Owner, without charge, a new 2026 Parity Bond (or 2026 Parity Bonds, at the option of the Owner) of the same Series, maturity, and interest rate in any Authorized Denomination in the aggregate principal amount to remain Outstanding.

(e) *Notice of Redemption.* Notice of redemption of each 2026 Parity Bond registered in the name of DTC or its nominee shall be given in accordance with the Letter of Representations. Notice of redemption of each other 2026 Parity Bond, unless waived by the Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding

sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner.

(f) *Rescission of and Conditions to Optional Redemption.* A notice of optional redemption of 2026 Parity Bonds may state (i) that the Authority retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the Owners of the 2026 Parity Bonds that were to have been redeemed at any time on or prior to the date fixed for redemption and/or (ii) that the redemption is conditioned on sufficient money being available for such purpose on or prior to the date fixed for redemption or conditioned on the occurrence of any other event. Any notice of optional redemption that is so rescinded shall be of no effect, each 2026 Parity Bond for which a notice of optional redemption has been so rescinded shall remain Outstanding, and the rescission shall not constitute a Default. Any such conditional notice of optional redemption for which sufficient money is not available for such purpose on the date specified, or for which the event upon which redemption is conditioned has not occurred, as the case may be, shall be of no effect, each 2026 Parity Bond for which notice of optional redemption has been so conditioned shall remain Outstanding, and the failure to satisfy such condition to redemption shall not constitute a Default.

(g) *Effect of Redemption Notice.* If notice of redemption has been duly given and not duly rescinded (and in the case of a conditional notice of optional redemption if sufficient money is available for such purpose on the date specified and/or any other event upon which redemption is conditioned has occurred), then on the date fixed for redemption each 2026 Parity Bond so called for redemption shall become due and payable at the redemption price specified in such notice. From and after the date fixed for redemption, if the Authority has provided to the Bond Registrar money for the payment of the redemption price of any 2026 Parity Bond so called for redemption that becomes payable, interest thereon shall cease to accrue, the 2026 Parity Bond shall cease to be Outstanding and to be entitled to any benefit, protection, or security under the 2026 Parity Bond Resolutions, and the Owner of the 2026 Parity Bond shall have no rights in respect thereof except to receive payment of the redemption price upon delivery of the 2026 Parity Bond to the Bond Registrar.

(h) *Purchase by Authority.* The Authority reserves the right, within the requirements of the best long-term financial interests of the Authority, to purchase any or all of the 2026 Parity Bonds offered to the Authority or in the open market at any time at any price acceptable to the Authority, plus accrued interest to the date of purchase.

(i) *Failure to Pay 2026 Parity Bonds.* If the principal of any 2026 Parity Bond is not paid when the 2026 Parity Bond is properly presented at its maturity or date fixed for redemption, the Authority shall be obligated to pay interest on the 2026 Parity Bond at, unless otherwise determined by the Designated Authority Representative pursuant to Section 8, the same rate provided in the 2026 Parity Bond from and after its maturity or date fixed for redemption, until the 2026 Parity Bond, principal, premium, if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Parity Bond Account or with an escrow agent to defease the 2026 Parity Bond.

Section 6. Form and Execution of 2026 Parity Bonds. The Designated Authority Representative is authorized to approve the form of the 2026 Parity Bonds of each Series, which shall be prepared in a form consistent with the provisions of the 2026 Parity Bond Resolutions and State law and shall be signed by the Chair of the Board and the Chief Executive Officer, either or both of whose signatures may be manual or in facsimile, and the seal of the Authority or a facsimile reproduction thereof shall be impressed or printed thereon.

Only a 2026 Parity Bond bearing a Certificate of Authentication in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the 2026 Parity Bond Resolutions: "Certificate Of Authentication. This bond is one of the fully registered The Central Puget Sound Regional Transit Authority Sales Tax and Motor Vehicle Excise Tax Refunding Bonds, Series _____, described in the 2026 Parity Bond Resolutions."

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 2026 Parity Bond of such Series so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of the 2026 Parity Bond Resolutions.

If any officer whose manual or facsimile signature appears on a 2026 Parity Bond ceases to be an officer of the Authority authorized to sign bonds before the 2026 Parity Bond bearing the manual or facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the 2026 Parity Bond nevertheless may be authenticated, issued, and delivered and, when authenticated, issued, and delivered, shall be as binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. Any 2026 Parity Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the 2026 Parity Bond, is an officer of the Authority authorized to sign bonds, although such individual did not hold the required office on the Closing Date of the 2026 Parity Bond.

Section 7. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the 2026 Parity Bonds, which shall be open to inspection by the Authority at all times. The Bond Registrar is authorized and directed, on behalf of the Authority, to authenticate and deliver each 2026 Parity Bond transferred or exchanged in accordance with the provisions of the 2026 Parity Bond and the 2026 Parity Bond Resolutions, to serve as the Authority's paying agent for the 2026 Parity Bonds, and to carry out all of the Bond Registrar's powers and duties under the 2026 Parity Bond Resolutions. The Authority reserves the right in its discretion to appoint special paying agents, tender agents, registrars, or trustees in connection with the payment of some or all of the principal of, premium, if any, or interest on the 2026 Parity Bonds of one or more Series. If a new Bond Registrar is appointed by the Authority (other than the Washington State fiscal agent), notice of the name and address of the new Bond Registrar shall be mailed to the Owners of the 2026 Parity Bonds appearing on the Bond Register at the time the Bond Registrar prepares the notice. The notice may be mailed together with the next interest payment due on the 2026 Parity Bonds, but, to the extent practicable, shall be mailed no later than the Record Date for any principal payment or redemption date of any 2026 Parity Bond.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the 2026 Parity Bonds. The Bond Registrar may become the Owner of 2026 Parity Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the 2026 Parity Bonds.

This Section and other relevant portions of the 2026 Parity Bond Resolutions shall constitute a "system of registration" as that term is used in RCW 39.46.030.

Section 8. Terms and Sale of 2026 Parity Bonds.

(a) The Board has determined that it is in the best interest of the Authority to delegate to the Designated Authority Representative pursuant to RCW 39.46.040 the authority to determine which Refunding Candidates to be refunded by the 2026 Parity Bonds; to determine the number of Series of the 2026 Parity Bonds (and the aggregate principal amounts thereof); to designate all or a portion of the 2026 Parity Bonds as “green bonds” and/or as “Covered Parity Bonds;” to provide that all or a portion of the 2026 Parity Bonds will be secured by a Credit Facility (if any); and to approve the principal amounts, Authorized Denominations, interest rates, Interest Payment Dates, principal payment dates, maturity dates, redemption rights and redemption requirements, if any, prices, Record Dates, Parity Reserve Account Requirements or other reserve requirements, if any, restrictions on transferability, if any, and tax status for the 2026 Parity Bonds, the Bond Registrar, and whether all or a portion of the 2026 Parity Bonds of each Series shall be registered in the name of Cede & Co., as the nominee of DTC, all in the manner provided herein, provided that:

- (1) The aggregate principal amount of the 2026 Parity Bonds does not exceed \$250,000,000;
- (2) The true interest cost to the Authority for any Series of 2026 Tax-Exempt Parity Bonds shall not exceed 4.50 percent;
- (3) The final maturity of the 2026 Parity Bonds of each Series is not later than the end of the calendar year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such Series;
- (4) The 2026 Parity Bonds shall be dated as of the date of their delivery, which date and time for the issuance and delivery of the 2026 Parity Bonds shall not be later than December 31, 2026; and
- (5) As of each Closing Date, the principal amount of the Outstanding Parity Bonds, the 2026 Parity Bonds to be issued on such Closing Date and any other outstanding non-voted indebtedness of the Authority payable from taxes does not exceed 1.5 percent of the value of the taxable property within the boundaries of the Authority.

In determining whether the terms, sale and/or issuance of the 2026 Parity Bonds of each Series comply with the conditions and other provisions of this Section, Bond Counsel may rely upon certificates or reports provided by Underwriters, municipal advisors or accountants to the Authority in connection with matters that are not legal matters.

In determining which Refunding Candidates are to be refunded by the 2026 Parity Bonds, principal amounts, Authorized Denominations, interest rates, Interest Payment Dates, principal payment dates, maturity dates, redemption rights, if any, prices, Record Dates, Parity Reserve Account Requirements or other reserve requirements, if any, restrictions on transferability, if any, tax status, and defeasance provisions, if any, for the 2026 Parity Bonds, the Bond Registrar, minimum savings to be achieved by the Refunding Plan and whether all or a portion of the 2026 Parity Bonds of each Series shall be registered in the name of Cede & Co., as the nominee of DTC, or secured by one or more Credit Facilities, the Designated Authority Representative, in consultation with other Authority officials and staff and advisors, shall take into account those factors that, in such individual’s judgment, will result in the lowest

true interest cost on the 2026 Parity Bonds to their maturity or prior redemption within the requirements of the best long-term financial interests of the Authority, including financial market conditions and current interest rates for obligations comparable to the 2026 Parity Bonds.

(b) The 2026 Parity Bonds shall be sold by negotiated sale to any or all of: BofA Securities, Inc., J.P. Morgan Securities LLC and Barclays Capital Inc. (collectively, the “Underwriters”), as determined by the Designated Authority Representative. Upon the determination by the Designated Authority Representative that the conditions of this Section have been met, the Designated Authority Representative is authorized to approve and to execute and deliver on behalf of the Authority a purchase contract with the Underwriters for the sale of the 2026 Parity Bonds of each Series that is consistent with the terms of the 2026 Parity Bond Resolutions (each, a “Bond Purchase Agreement”). In connection with the sale of the 2026 Parity Bonds that are to be secured by one or more Credit Facilities, the Designated Authority Representative is authorized to execute and deliver documents providing for such terms, conditions and covenants as the Designated Authority Representative may determine are in the best long-term financial interests of the Authority and are consistent with the provisions of this Series Resolution.

(c) The 2026 Parity Bonds of each Series shall be prepared at Authority expense and shall be delivered to or for the account of the Underwriters thereof in accordance with the 2026 Parity Bond Resolutions, with the approving legal opinion of Bond Counsel regarding the 2026 Parity Bonds of such Series.

Section 9. Authorization of Disclosure Documents. The Board authorizes and approves the preparation and distribution of one or more preliminary official statements or other disclosure documents in connection with the sale of the 2026 Parity Bonds and, if required pursuant to the Rule, authorizes the Designated Authority Representative to deem final as of their dates disclosure documents that are in the form of preliminary official statements, except for the omission of information permitted to be omitted under the Rule. The Authority agrees to deliver or cause to be delivered, within seven business days after the date of the sale of the 2026 Parity Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters, copies of a final official statement and by the time and in sufficient quantity to comply with Section (b)(4) of the Rule and the rules of the MSRB.

In addition, the Authority authorizes and approves the preparation, execution by the Designated Authority Representative and delivery to the Underwriters of a final official statement for the 2026 Parity Bonds, in the form of the preliminary official statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the Designated Authority Representative.

Section 10. Preservation of Tax Exemption of Interest on 2026 Tax-Exempt Parity Bonds. The Authority will take all actions necessary to assure the exclusion of interest on any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds from the gross income of the owners of such 2026 Parity Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of such 2026 Parity Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The Authority will assure that the proceeds of any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds are not used so as to cause such 2026 Parity Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Refinanced Project.* The Authority will not sell or otherwise transfer or dispose of (i) any personal property components of the refinanced project other than in the ordinary course of an established government program under Treasury Regulation §1.141-2(d)(4) or (ii) any real property components of the refinanced project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The Authority will not take any action or permit or suffer any action to be taken if the result of such action would be to cause on any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The Authority will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds.

(e) *No Arbitrage.* The Authority will not take, or permit or suffer to be taken, any action with respect to the proceeds of any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2026 Tax-Exempt Parity Bonds would have caused such 2026 Tax-Exempt Parity Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The Authority will maintain a system for recording the ownership of each 2026 Parity Bond that complies with the provisions of Section 149 of the Code until all 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds have been surrendered and canceled.

(g) *Record Retention.* The Authority will retain its records of all accounting and monitoring it carries out with respect to any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds for at least three years after such 2026 Parity Bonds mature or are redeemed (whichever is earlier); however, if such 2026 Parity Bonds are redeemed and refunded, the Authority will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded such 2026 Parity Bonds.

(h) *Compliance with Tax Certificate.* The Authority will comply with the provisions of the Tax Certificate with respect to any 2026 Parity Bonds that are issued as Tax-Exempt Parity Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Tax Certificate executed by the Authority in connection with the issuance of such 2026 Parity Bonds, the provisions of the Tax Certificate will prevail.

Certain covenants of this Section will survive payment in full or defeasance of the 2026 Parity Bonds.

Section 11. Deposit, Use, Pledge, and Investment of 2026 Parity Bond Proceeds; Establishment of Accounts.

(a) The net proceeds, including premium, if any, received from the sale and delivery of the 2026 Parity Bonds shall be paid to the Escrow Agent as outlined in Section 12, or into the “2026 Refunding Bond Proceeds Account” of the Authority or such other accounts or subaccounts of the Authority as the Chief Financial Officer may designate and shall be used to (i) carry out the Refunding Plan, and (ii) pay costs of issuing the 2026 Parity Bonds and of effecting the Refunding Plan.

The Chief Financial Officer may establish and may transfer, record, allocate or restrict proceeds of the 2026 Parity Bonds not deposited with the Escrow Agent, or transferred from the Escrow Agent, among such accounts or subaccounts of the Authority and make such transfers, recordings, allocations, restrictions or deposits on terms such individual may deem necessary, appropriate or desirable to carry out the purposes of this Series Resolution.

(b) The Chief Financial Officer may establish and may transfer, record, allocate, or restrict proceeds of the 2026 Parity Bonds and earnings thereon not deposited into the 2026 Refunding Bond Proceeds Account among such accounts or subaccounts of the Authority and make such transfers, recordings, allocations, restrictions, or deposits on terms such individual may deem necessary, appropriate, or desirable to carry out the purposes of this Series Resolution.

(c) Until needed to pay the costs described herein, the Authority may invest principal proceeds of the 2026 Parity Bonds temporarily in any legal investment, but only to the extent that the same are acquired at Fair Market Value. The investment earnings shall be deposited in or credited to such accounts as may be designated by the Designated Authority Representative. Earnings subject to a federal tax or rebate requirement may be withdrawn from any such account and used for those tax or rebate purposes.

Section 12. Refunding of the Refunded Bonds.

(a) *Appointment of Escrow Agent and Other Professionals.* The Designated Authority Representative is authorized to appoint an Escrow Agent, a verification agent and other professionals as are necessary to accomplish the refunding of the Refunded Bonds as contemplated in this Series Resolution.

(b) *Use of 2026 Parity Bond Proceeds.* Immediately upon the issuance of a Series of 2026 Parity Bonds, a sufficient amount of the net proceeds (net of any underwriters’ discount) from the sale of the 2026 Parity Bonds shall be deposited upon the receipt thereof with the Escrow Agent and used to discharge the obligations of the Authority relating to such Refunded Bonds allocated to such Series under the related Series Resolution by providing for the payment of the amounts required to be paid by the Refunding Plan. Any 2026 Parity Bond proceeds or other money deposited with the Escrow Agent not needed to carry out the Refunding Plan shall be applied to pay costs of issuance for the 2026 Parity Bonds or returned to the Authority at the time of delivery of the 2026 Parity Bonds to the initial purchasers thereof and used to pay costs of issuance for the 2026 Parity Bonds or deposited in the Parity Bond Account to pay interest on such Series of 2026 Parity Bonds on the first interest payment date or otherwise as determined by the Designated Authority Representative after consultation with Bond Counsel.

(c) *Administration of Refunding Plan.* The Escrow Agent is authorized and directed to make the payments required to be made by the Refunding Plan from the money deposited with the Escrow Agent pursuant to this Series Resolution. All money deposited with the Escrow Agent and any income therefrom shall be held irrevocably, invested in Acquired Obligations and applied in accordance with the provisions of Resolution No. R2016-32 and Resolution No. R2016-34, for the Refunded Bonds, the 2026 Refunding Parity Bond Resolutions, chapter 39.53 RCW and other applicable statutes of the State, and the Escrow Agreement. All necessary and proper fees, compensation and expenses of the Escrow Agent and all other costs incidental to the setting up of the related escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the 2026 Parity Bonds shall be paid out of the proceeds of the 2026 Parity Bonds.

(d) *Authorization for Escrow Agreement.* To carry out the Refunding Plan provided for by this Series Resolution, the Chief Financial Officer of the Authority is authorized and directed to execute and deliver to the Escrow Agent one or more Escrow Agreements setting forth the duties, obligations and responsibilities of the Escrow Agent in connection with the payment and redemption of the Refunded Bonds as provided herein.

(e) *Authorization for Replacement Bonds.* If necessary, the Authority may issue replacement bonds in principal amounts reflecting the defeased and nondefeased portions of the Refunding Candidates. The replacement bonds shall be printed, executed and authenticated in the same manner as the related Series of Refunded Bonds.

Section 13. Authority Findings with Respect to Refunding. The Board authorizes the Designated Authority Representative to issue the 2026 Parity Bonds if it will achieve debt service savings to the Authority, and is in the best interest of the Authority and its taxpayers and in the public interest. In making such findings and determinations, the Designated Authority Representative has given, or will give, consideration to the fixed maturities of the 2026 Parity Bonds and the Refunded Bonds, the costs of issuance of the 2026 Parity Bonds and the expected income from the investment of the proceeds of the issuance and sale of the 2026 Parity Bonds pending payment and redemption of the Refunded Bonds. The Board authorizes the Designated Authority Representative to determine which Refunding Candidates are to be refunded by the 2026 Parity Bonds.

The Designated Authority Representative may authorize the purchase of Acquired Obligations to be deposited with the Escrow Agent, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the Authority under the related Series Resolution with respect to the Refunded Bonds. Immediately upon the delivery of such Acquired Obligations to the Escrow Agent and the deposit of any necessary beginning cash balance, such Refunded Bonds shall be deemed not to be Outstanding and shall cease to be entitled to any lien, benefit or security under the related Series Resolution authorizing their issuance except the right to receive payment from the Acquired Obligations and beginning cash balance so set aside and pledged.

Section 14. Redemption of the Refunded Bonds. The Board authorizes the Designated Authority Representative to call for redemption and to give or cause to be given any and all notices necessary, at the times and in the manner required, pursuant to the applicable issuing Resolutions for the Refunded Bonds to effect the redemption of the Refunded Bonds at the earliest dates and times permitted under the applicable resolutions pursuant to which the Refunded Bonds were issued.

Section 15. Continuing Disclosure.

(a) The Authority covenants and agrees that it will comply with and will carry out all of the provisions of each Continuing Disclosure Certificate. Each Continuing Disclosure Certificate shall be in the form included in the applicable preliminary official statement approved by the Designated Authority Representative pursuant to Section 9, together with such additions or other changes as may be approved by the Designated Authority Representative executing the Continuing Disclosure Certificate. Notwithstanding any other provision of the 2026 Parity Bond Resolutions, failure of the Authority to comply with the Continuing Disclosure Certificate shall not constitute a Default; provided, however, that any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Continuing Disclosure Certificate. For purposes of this Section, "Beneficial Owner" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2026 Parity Bonds (including persons holding 2026 Parity Bonds through nominees, depositories, or other intermediaries).

(b) The Chief Financial Officer or such individual's designee is authorized and directed in their discretion to take such further actions as may be necessary, appropriate, or desirable to carry out the duties of the Authority set forth in each Continuing Disclosure Certificate, including the following actions:

- (1) Preparing and filing the annual financial information undertaken to be provided;
- (2) Determining whether any listed event has occurred and preparing and disseminating notice of its occurrence;
- (3) Determining whether any person other than the Authority is an "obligated person" within the meaning of the Rule with respect to the 2026 Parity Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with the Rule;
- (4) Selecting, engaging, and compensating designated agents and consultants, including municipal advisors and legal counsel, to assist and advise the Authority in carrying out the Authority's duties under the Continuing Disclosure Certificate; and
- (5) Effecting any necessary amendment of the Continuing Disclosure Certificate.

Section 16. Authorized Budget Amendments. The Designated Authority Representative is authorized and directed to determine the amount of debt service on 2026 Parity Bonds that will be payable in connection with the issuance of the 2026 Parity Bonds and to amend or cause to be amended the Authority's adopted budgets to include such amounts.

Section 17. Resolution a Contract. This Series Resolution, together with the Parity Bond Master Resolution and the Continuing Disclosure Certificate, shall constitute a contract with the Owners of the 2026 Parity Bonds.

Section 18. Severability. If any one or more of the provisions of this Series 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 Series Resolution or of the 2026 Parity Bonds issued pursuant to the terms hereof.

Section 19. Ratification of Prior Acts. Any action taken by or on behalf of the Authority and consistent with the intent of this Series Resolution but prior to the effective date of this Series Resolution, including issuing requests for proposals for financing or underwriting services, executing engagement letters for financing or underwriting services based on responses to such requests, preparing and issuing disclosure materials relating to the 2026 Parity Bonds, and executing contracts or other documents, is hereby ratified, approved, and confirmed.

Section 20. Effective Date. Except as otherwise expressly provided herein, this Series Resolution shall take effect immediately upon its adoption.

ADOPTED by no less than an affirmative two-thirds vote of the entire membership of the Board of Directors of The Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

ATTEST:

Kathryn Flores
Board Administrator

Dave Somers
Board Chair