

SOUND TRANSIT

RESOLUTION NO. R2016-32

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 BONDS OF ONE OR MORE SERIES TO PAY, OR TO REIMBURSE THE AUTHORITY FOR THE PAYMENT OF, COSTS OF IMPROVEMENTS TO THE AUTHORITY'S HIGH CAPACITY TRANSPORTATION FACILITIES; SPECIFYING PARAMETERS FOR APPROVING THE TERMS OF THE BONDS OF EACH SERIES; PLEDGING EXISTING MOTOR VEHICLE EXCISE TAXES TO THE PAYMENT OF PARITY BONDS AND JUNIOR OBLIGATIONS; SUBJECT TO CERTIFICATION OF VOTER APPROVAL, DESIGNATING SOUND TRANSIT THREE SALES AND USE AND MOTOR VEHICLE EXCISE TAXES AS ADOPTED PARITY RATE ADJUSTMENTS, INCLUDING SUCH TAXES AS PLEDGED TAXES AND PLEDGING SUCH TAXES TO THE PAYMENT OF PARITY BONDS AND JUNIOR OBLIGATIONS; AMENDING RESOLUTION NO. R2015-16; DELEGATING TO THE DESIGNATED AUTHORITY REPRESENTATIVE AUTHORITY TO NEGOTIATE AND APPROVE THE FINAL TERMS OF THE BONDS AND THE AMOUNT OF ANY DEBT SERVICE RESERVE REQUIREMENT; APPROVING, AND DELEGATING TO THE DESIGNATED AUTHORITY REPRESENTATIVE AUTHORITY TO NEGOTIATE AND APPROVE THE FINAL TERMS OF, ONE OR MORE BOND PURCHASE AGREEMENTS, DISCLOSURE DOCUMENTS, AND OTHER DOCUMENTS RELATING TO THE AUTHORITY AND TO THE ISSUANCE AND SALE OF THE BONDS; AUTHORIZING THE ESTABLISHMENT OF CERTAIN ACCOUNTS; AUTHORIZING BUDGET AMENDMENTS; 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 Series Resolution shall be as set forth in Resolution No. R2015-16, adopted by the Board on July 23, 2015 (the Parity Bond Master Resolution), or 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 Series Resolution:

"Authorized Denomination" means, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, \$5,000 or any integral multiple of \$5,000 within a Series, maturity, and interest rate of 2016 Parity Bonds.

"Bond Purchase Agreement" has the meaning set forth in Section 10.

“Closing Date” means, for the 2016 Parity Bonds of each Series, the date of delivery of the 2016 Parity Bonds of such Series to the Purchaser thereof.

“Continuing Disclosure Certificate” means the Authority’s Continuing Disclosure Certificate dated the Closing Date for the 2016 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 Resolution and the 2016 Parity Bonds, includes the Treasurer of the Authority.

“Interest Payment Date” means, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, May 1 and November 1.

“1996 Motor Vehicle Tax” means the Motor Vehicle Tax approved at an election held on November 5, 1996 and levied by the Authority at the rate of 0.3 percent.

“Purchaser” means, with respect to the 2016 Parity Bonds of each Series, the legal entity or group of entities selected by the Designated Authority Representative to serve as purchaser in a private placement or as an underwriter in a negotiated sale of the 2016 Parity Bonds of such Series, as determined by the Designated Authority Representative pursuant to Section 10.

“Record Date” means, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, 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 2016 Parity Bond prior to its maturity date, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, “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.

“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.

“2016 Parity Bond Resolutions” means, together, the Parity Bond Master Resolution and this Series Resolution.

“2016 Parity Bonds” means The Central Puget Sound Regional Transit Authority Sales Tax and Motor Vehicle Excise Tax Bonds authorized pursuant to the 2016 Parity Bond Resolutions to be issued in one or more Series to pay, or to reimburse the Authority for the

payment of, a portion of the costs of acquiring, designing, constructing, equipping, and installing improvements to the Authority's high-capacity transportation facilities.

"2016 Project Account" means the account of that name established in the Project Fund pursuant to Section 13.

"2016 Tax-Exempt Parity Bonds" means the 2016 Parity Bonds that are Tax-Exempt Parity Bonds.

"2016 Term Parity Bonds" means the 2016 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 pursuant to the Parity Bond Master Resolution in one or more Series to pay, or to reimburse the Authority for the payment of, a portion of the costs of acquiring, designing, constructing, equipping, and installing improvements to the Authority's high capacity transportation facilities.

(d) 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.

(e) 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.

(f) Pursuant to the Parity Bond Master Resolution, the Authority may (i) include and pledge Additional Taxes, the Motor Vehicle Tax and/or receipts resulting from an Adopted Parity Rate Adjustment, as "Pledged Taxes" and (ii) adopt a Series Resolution, without the consent or concurrence of any Owner of Parity Bonds, to subject additional revenues to the pledge of the Parity Bond Master Resolution, and to make such conforming changes as shall be necessary or desirable in connection therewith, and to authorize the issuance of Future Parity Bonds in accordance with the provisions of Section 6 of the Parity Bond Master Resolution.

(h) Pursuant to Resolution No. R2016-33, 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 Authority designated the ST3 Sales Tax and the ST3 Motor Vehicle Tax as Adopted Prior Rate Adjustments, included the ST3 Sales Tax and the ST3 Motor Vehicle Tax as "Local Option Taxes" and pledged the ST3 Sales Tax and the ST3 Motor Vehicle Tax to the payment of the Prior Bonds.

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

Section 3. Pledged Taxes.

(a) **Inclusion of 1996 Motor Vehicle Tax as Pledged Taxes and Pledge of 1996 Motor Vehicle Tax to Parity 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 1996 Motor Vehicle Tax is included as "Pledged Taxes" and pledged to the payment of the Parity Bonds. Such pledge to the payment of Parity Bonds is subject to the prior pledges that have been and may hereafter be created in favor of the Prior Bonds and any other obligations of the Authority issued or incurred in accordance with the provisions of the Prior Bond Resolution, the Parity Bond Master Resolution and the TIFIA Loan Agreement and secured by a pledge of or payable from the Local Option Taxes as described in paragraphs "First" through "Second" in Section 4(b) of the Parity Bond Master Resolution.

(b) **Designation of ST3 Sales Tax and ST3 Motor Vehicle Tax as Adopted Parity Rate Adjustments; Inclusion of ST3 Sales Tax and ST3 Motor Vehicle Tax as Pledged Taxes and Pledge of ST3 Sales Tax and ST3 Motor Vehicle Tax to Parity 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 Parity Rate Adjustments, included as "Pledged Taxes" and pledged to the payment of the Parity Bonds. Such pledge to the payment of the Parity Bonds is subject to the prior pledges that have been and may hereafter be created in favor of the Prior Bonds and any other obligations of the Authority issued or incurred in accordance with the provisions of the Prior Bond Resolution, the Parity Bond Master Resolution and the TIFIA Loan Agreement and secured by a pledge of or payable from the Local Option Taxes as described in paragraphs "First" through "Second" in Section 4(b) of the Parity Bond Master Resolution.

(c) **Pledge of 1996 Motor Vehicle Tax, ST3 Sales Tax and ST3 Motor Vehicle Tax to Junior Obligations.** 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 1996 Motor Vehicle Tax, the ST3 Sales Tax and the ST3 Motor Vehicle Tax are pledged to the payment of the Junior Obligations. Such pledge to the payment of the First Tier Junior Obligations is subject to the prior pledges that have been and may hereafter be created in favor of the Prior Bonds, the Parity Bonds, and any other obligations of the Authority issued or incurred in accordance with the provisions of the Prior Bond Resolution, the Parity Bond Master Resolution and the TIFIA Loan Agreement and secured by a pledge of or payable from the Local Option Taxes or the Pledged Taxes as described in paragraphs "First" through "Fourth" in Section 4(b) of the Parity Bond Master Resolution. Such pledge to the payment of the TIFIA Bond for the benefit of the TIFIA Lender and to the payment of the other Second Tier Junior Obligations is subject to the prior pledges that have been and may hereafter be created in favor of the Prior Bonds, the Parity Bonds, the First Tier Junior Obligations, and any other obligations of the Authority issued or incurred in accordance with the provisions of the Prior Bond Resolution, the Parity Bond Master Resolution and the TIFIA Loan Agreement and secured by a pledge of or payable from the Local Option Taxes or the Pledged Taxes as described in paragraphs "First" through "Sixth" in Section 4(b) of the Parity Bond Master Resolution.

Section 4. Additional Taxes and Adopted Parity Rate Adjustments. Consistent with Section 5(b) of the Parity Bond Master Resolution, the Authority expressly reserves the right (but is not obligated) to include and pledge Additional Taxes and/or receipts resulting from

any additional Adopted Parity Rate Adjustment as "Pledged Taxes." The Board has determined that any future inclusion of such Additional Taxes and/or receipts resulting from any additional Adopted Parity Rate Adjustment as Pledged Taxes will benefit the Authority and the Owners of Parity Bonds. The inclusion of Additional Taxes as Pledged Taxes will not constitute a pledge of those Additional Taxes to the payment of Prior Bonds unless the Authority expressly provides therefor.

Section 5. Compliance with Future Parity Bonds Conditions. As required by Section 6 of the Parity Bond Master Resolution (and in addition to any conditions that are required pursuant to the TIFIA Loan Agreement), the Designated Authority Representative, as of the Closing Date for the 2016 Parity Bonds of each Series, shall certify as follows:

- (a) There is no deficiency in the Parity Bond Account.
- (b) An amount equal to the Parity Reserve Account Requirement, if any, for the 2016 Parity Bonds to be issued is on deposit or is otherwise provided for.
- (c) No Default has occurred and is continuing.
- (d) An Authority Parity Bond Certificate has been delivered that satisfies the requirements of Section 6 of the Parity Bond Master Resolution.

Section 6. Authorization and Description of 2016 Parity Bonds. For the purposes of paying, or reimbursing the Authority for the payment of, a portion of the costs of acquiring, designing, constructing, equipping, and installing improvements to high-capacity transportation facilities, making a deposit, if any, to the Parity Reserve Account or to any alternate reserve account, paying interest on the 2016 Parity Bonds during construction, and paying costs of issuing the 2016 Parity Bonds, the Authority is authorized to borrow money on the credit of the Authority and to issue the 2016 Parity Bonds in an aggregate principal amount that does not exceed \$400,000,000. Any amount received as original issue premium on the 2016 Parity Bonds may be disregarded in determining the principal amount of 2016 Parity Bonds issued within the authority of this Series Resolution. The 2016 Parity Bonds may be issued in one or more Series, with such additional designation, all as determined by the Designated Authority Representative pursuant to Section 10. Unless otherwise determined by the Designated Authority Representative pursuant to Section 10, the 2016 Parity Bonds shall be Tax-Exempt Parity Bonds. The 2016 Parity Bonds shall be issued as fixed-rate Parity Bonds in Authorized Denominations; shall be dated the applicable Closing Date; 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 the 2016 Parity Bonds bearing such interest have been paid or their payment has been duly provided for, payable on each Interest Payment Date (commencing on the Interest Payment Date specified by the Designated Authority Representative) at the rates determined by the Designated Authority Representative pursuant to Section 10. The 2016 Parity Bonds shall mature on the dates and in the amounts determined by the Designated Authority Representative pursuant to Section 10.

Section 7. Redemption of 2016 Parity Bonds. The 2016 Parity Bonds of each Series may be subject to redemption as provided in this Section and in Section 10.

- (a) **Optional Redemption.** Pursuant to Section 10, the Designated Authority Representative may determine that any 2016 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. Unless otherwise determined by the Designated Authority Representative pursuant to Section 10, if a 2016 Tax-Exempt Parity Bond is subject to redemption at the option of the Authority prior to its maturity date, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Closing Date of the 2016 Tax-Exempt Parity Bond.

(b) **Mandatory Redemption.** Pursuant to Section 10, the Designated Authority Representative may determine that any 2016 Parity Bond is designated as a 2016 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 2016 Term Parity Bond is redeemed at the option of the Authority, defeased, or purchased by the Authority for cancellation, the principal amount of the 2016 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 2016 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 2016 Term Parity Bond for which notice of redemption has not already been given.

(c) **Selection of 2016 Parity Bonds for Redemption.** If fewer than all of the Outstanding 2016 Parity Bonds are to be redeemed at the option of the Authority, the Authority shall select the Series, maturities, and interest rates to be redeemed. If fewer than all of the Outstanding 2016 Parity Bonds of a Series, maturity, and interest rate are to be redeemed, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, DTC shall select 2016 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 2016 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 2016 Parity Bond that is to be redeemed may be redeemed in any Authorized Denomination so long as the 2016 Parity Bonds that are to remain Outstanding are in Authorized Denominations. If less than all of the Outstanding principal amount of any 2016 Parity Bond is redeemed, upon surrender of the 2016 Parity Bond to the Bond Registrar, there shall be issued to the Owner, without charge, a new 2016 Parity Bond (or 2016 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 2016 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 2016 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 2016 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 2016

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 2016 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 2016 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 2016 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 2016 Parity Bond so called for redemption that becomes payable, interest thereon shall cease to accrue, the 2016 Parity Bond shall cease to be Outstanding and to be entitled to any benefit, protection, or security under the 2016 Parity Bond Resolutions, and the Owner of the 2016 Parity Bond shall have no rights in respect thereof except to receive payment of the redemption price upon delivery of the 2016 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 2016 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 2016 Parity Bonds.** If the principal of any 2016 Parity Bond is not paid when the 2016 Parity Bond is properly presented at its maturity or date fixed for redemption, the Authority shall be obligated to pay interest on the 2016 Parity Bond at, unless otherwise determined by the Designated Authority Representative pursuant to Section 10, the same rate provided in the 2016 Parity Bond from and after its maturity or date fixed for redemption, until the 2016 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 2016 Parity Bond.

Section 8. Form and Execution of 2016 Parity Bonds. The Designated Authority Representative is authorized to approve the form of the 2016 Parity Bonds of each Series, which shall be prepared in a form consistent with the provisions of the 2016 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 2016 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 2016 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 Bonds, Series _____, described in the 2016 Parity Bond Resolutions."

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 2016 Parity Bond so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of the 2016 Parity Bond Resolutions.

If any officer whose manual or facsimile signature appears on a 2016 Parity Bond ceases to be an officer of the Authority authorized to sign bonds before the 2016 Parity Bond bearing his or her manual or facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the 2016 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 2016 Parity Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the 2016 Parity Bond, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the Closing Date of the 2016 Parity Bond.

Section 9. 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 2016 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 2016 Parity Bond transferred or exchanged in accordance with the provisions of the 2016 Parity Bond and the 2016 Parity Bond Resolutions, to serve as the Authority's paying agent for the 2016 Parity Bonds, and to carry out all of the Bond Registrar's powers and duties under the 2016 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 2016 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 2016 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 2016 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 2016 Parity Bond.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the 2016 Parity Bonds. The Bond Registrar may become the Owner of 2016 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 2016 Parity Bonds.

This Section and other relevant portions of the 2016 Parity Bond Resolutions shall constitute a "system of registration" as that term is used in RCW 39.46.030.

Section 10. Terms and Sale of 2016 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 the manner of sale of the 2016 Parity Bonds of each Series; to determine the number of Series of the 2016 Parity Bonds (and the aggregate principal amounts thereof); to designate all or a portion of the 2016 Parity Bonds as "green bonds" and/or as "Covered Parity Bonds"; to provide that all or a portion of the 2016 Parity Bonds shall be secured by a Credit Facility; 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 2016 Parity Bonds, the Bond Registrar, and whether all or a portion of the 2016 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 2016 Parity Bonds does not exceed \$400,000,000;

(2) No Closing Date is later than one year after the effective date of this Resolution;

(3) No rate of interest for any maturity of the 2016 Parity Bonds exceeds 6.00 percent per annum;

(4) The true interest cost to the Authority for all 2016 Parity Bonds does not exceed 6.00 percent per annum;

(5) The purchase price for all 2016 Parity Bonds is not less than 95 percent or more than 130 percent of the aggregate principal amount of the 2016 Parity Bonds;

(6) The final maturity of the 2016 Parity Bonds of each Series is not later than the date that is 40 years after the Closing Date for that Series; and

(7) As of each Closing Date, the principal amount of the 2016 Parity Bonds, the outstanding 1999 Prior Bonds, the outstanding 2009 Prior Bonds, the outstanding 2012 Prior Bonds, the Outstanding 2007A Parity Bonds, the Outstanding 2009 Parity Bonds, the Outstanding 2012 Parity Bonds, the Outstanding 2015 Parity Bonds, the TIFIA Loan, and any other outstanding nonvoted 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 2016 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, financial advisors or accountants to the Authority in connection with matters that are not legal matters.

In accordance with Section 14(a)(iv) of the Parity Bond Master Resolution, which provides that the Authority may adopt a Series Resolution, without the consent or concurrence of any Owner, to surrender any right, power, or privilege reserved to or conferred upon the Authority by the terms of the Parity Bond Master Resolution, the Designated Authority Representative may determine that the 2016 Parity Bonds of one or more Series shall not be subject to defeasance pursuant to Section 12 of the Parity Bond Master Resolution or shall be subject to defeasance only pursuant to terms and conditions in addition to those provided in Section 12 of the Parity Bond Master Resolution.

In determining the manner of sale, 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 2016 Parity Bonds, the Bond Registrar, and whether all or a portion of the 2016 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 his or her judgment, will result in the lowest true interest cost on the 2016 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 2016 Parity Bonds.

(b) The Designated Authority Representative is authorized to sell the 2016 Parity Bonds of each Series by private placement or by negotiated sale. The Designated Authority Representative is authorized and directed to select the Purchaser with which to negotiate the sale of the 2016 Parity Bonds of each Series. 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 for the sale of the 2016 Parity Bonds of each Series that is consistent with the terms of the 2016 Parity Bond Resolutions (each, a "Bond Purchase Agreement"). In connection with the sale of the 2016 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 Resolution.

(c) The 2016 Parity Bonds of each Series shall be prepared at Authority expense and shall be delivered to or for the account of the Purchaser thereof in accordance with the 2016 Parity Bond Resolutions, with the approving legal opinion of Bond Counsel regarding the 2016 Parity Bonds of such Series.

Section 11. 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 2016 Parity Bonds pursuant to Section 10 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 Board further authorizes and approves the preparation, execution by the Designated Authority Representative, and distribution of one or more final official statements or other disclosure documents in connection with the sale of the 2016 Parity Bonds pursuant to Section 10, in each case in the form of the preliminary official statement or other disclosure document, with such modifications and amendments thereto as shall be deemed necessary or desirable by the Designated Authority Representative. Such preliminary official statements, official statements, and other disclosure documents may be prepared and distributed in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Authority and the Purchaser.

Section 12. Preservation of Tax Exemption of Interest on 2016 Tax-Exempt Parity Bonds. The Authority covenants that it will take all actions necessary to prevent interest on any 2016 Tax-Exempt Parity Bond from being included in gross income for federal income tax purposes, and that it will neither take any action nor make or permit any use of proceeds of 2016 Tax-Exempt Parity Bonds or other funds of the Authority treated as proceeds of 2016 Tax-Exempt Parity Bonds at any time during the term of the 2016 Tax-Exempt Parity Bonds that will cause interest on any 2016 Tax-Exempt Parity Bond to be included in gross income for federal

income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the 2016 Tax-Exempt Parity Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the 2016 Tax-Exempt Parity Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on any 2016 Parity Bond from being included in gross income for federal income tax purposes. The Designated Authority Representative is authorized and directed to review and update the Authority's written procedures to facilitate compliance by the Authority with the covenants in this Section and the applicable requirements of the Code that must be satisfied after the applicable Closing Date to prevent interest on any 2016 Tax-Exempt Parity Bond from being included in gross income for federal tax purposes.

Section 13. Deposit, Use, Pledge, and Investment of 2016 Parity Bond Proceeds; Establishment of Accounts.

(a) On each Closing Date, from the net sale proceeds of the 2016 Parity Bonds or other funds of the Authority, the amount equal to the Parity Reserve Account Requirement or other reserve requirement, if any, for the 2016 Parity Bonds to be issued shall be deposited in the Parity Reserve Account or alternate reserve account or otherwise provided for.

(b) The Authority is authorized and directed to establish the 2016 Project Account in the Project Fund. On each Closing Date, the net sale proceeds of the 2016 Parity Bonds remaining after providing for the Parity Reserve Account Requirement or other reserve requirement, if any, pursuant to subsection (a) of this Section shall be deposited in the 2016 Project Account and applied to the payment (or to reimburse the Authority for the payment) of costs of acquiring, designing, constructing, equipping, and installing improvements to high-capacity transportation facilities, including interest on all or a portion of the 2016 Parity Bonds during construction, and to the payment of costs of issuing the 2016 Parity Bonds.

(c) There are hereby pledged for the payment of the 2016 Parity Bonds proceeds of the 2016 Parity Bonds deposited in the 2016 Project Account and in any other account or subaccount established by the Authority to hold proceeds of the 2016 Parity Bonds, and such pledge is declared to be a charge on the amounts in such accounts superior to all other charges of any kind or nature.

(d) The Chief Financial Officer may establish and may transfer, record, allocate, or restrict proceeds of the 2016 Parity Bonds and earnings thereon not deposited into the 2016 Project Account among such accounts or subaccounts of the Authority and make such transfers, recordings, allocations, restrictions, or deposits on terms he or she may deem necessary, appropriate, or desirable to carry out the purposes of this Series Resolution.

(e) Until needed to pay the costs described herein, the Authority may invest principal proceeds of the 2016 Parity Bonds temporarily in any legal investment, and 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 14. 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 11, 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 2016 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 2016 Parity Bonds (including persons holding 2016 Parity Bonds through nominees, depositories, or other intermediaries).

(b) The Chief Financial Officer or his or her designee is authorized and directed in his or her 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 2016 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 financial 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 15. Amendment of Section 1 of Parity Bond Master 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 definitions of the following terms in Section 1 of the Parity Bond Master Resolution are 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.

"1996 Motor Vehicle Tax" means the Motor Vehicle Tax approved at an election held on November 5, 1996 and levied by the Authority at the rate of 0.3 percent.

"Pledged Taxes" means (i) the rental car sales and use tax levied by the Authority as of the date of this Parity Bond Master Resolution at the rate of 0.8%, as authorized by RCW 81.104.160, (ii) the sales and use tax authorized by RCW 81.104.170, initially approved at an election held on November 5, 1996 and levied by the Authority as of the date of this Parity Bond Master Resolution at the rate of 0.4%, together with the additional sales and use tax approved at an election held on November 4, 2008 and levied by the Authority as of the date of this Parity Bond Master Resolution at the rate of 0.5%, together with the additional sales and use tax approved at an election held on November 8, 2016 and levied by the Authority at the rate of 0.5%, and (iii) the motor vehicle excise tax authorized by RCW 81.104.160, initially approved at an election held on November 5, 1996 and levied by the Authority at the rate of 0.3%, together with the additional motor vehicle excise tax approved at an election held on November 8, 2016 and levied by the Authority at the rate of 0.8% and (iv) Additional Taxes and/or the Motor Vehicle Tax, in each case if pledged to the payment of the Parity Bonds and Second Tier Junior Obligations pursuant to a Series Resolution or Supplemental Resolution and to payment of First Tier Junior Obligations if the Authority so determines in a Supplemental Resolution, as such taxes may be levied from time to time by the Authority.

Section 16. Amendment of Section 5(b) of Parity Bond Master 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 5(b) of the Parity Bond Master Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strike through~~ text):

(b) The Authority expressly reserves the right (but is not obligated) to include and pledge Additional Taxes, ~~the Motor Vehicle Tax,~~ and/or receipts resulting from an Adopted Parity Rate Adjustment, as "Pledged Taxes." The Board has determined that any future inclusion of such Additional Taxes ~~and/or the Motor Vehicle Tax~~ and/or receipts resulting from an Adopted Parity Rate Adjustment as Pledged Taxes will benefit the Authority and the Owners of Parity Bonds. The inclusion of Additional Taxes as Pledged Taxes will not constitute a pledge of those Additional Taxes to the payment of Prior Bonds unless the Authority expressly provides therefor. The Authority has designated 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 Parity Rate Adjustment and a component of Pledged Taxes pledged to the payment of the Parity Bonds. ~~As of the date of this Parity Bond Master Resolution, no other Additional Taxes have been pledged to the payment of Prior~~

Bonds, Parity Bonds or Junior Obligations. The Authority has included the 1996 Motor Vehicle Tax as a component of Pledged Taxes pledged to the payment of the Parity Bonds. The Authority has designated the additional motor vehicle excise tax and the additional sales and use tax approved at an election held on November 8, 2016, and imposed by Resolution No. R2016-17, as Adopted Parity Rate Adjustments and a component of Pledged Taxes pledged to the payment of the Parity Bonds.

Section 17. Amendment of Section 6 of Parity Bond Master 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 6 of the Parity Bond Master Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

Section 6. Issuance of Future Parity Bonds and Future Prior Bonds. Except as provided in Section 7, the Authority may issue Future Parity Bonds only upon compliance with the following conditions as certified by a Designated Authority Representative:

- (a) there is no deficiency in the Parity Bond Account;
- (b) an amount equal to the Parity Reserve Account Requirement, if any, for the Future Parity Bonds to be issued shall be on deposit or shall be otherwise provided for on or prior to the date of issuance of such Future Parity Bonds, all in accordance with Section 9(b);
- (c) no Default (as defined in Section 15) has occurred and is continuing; and
- (d) an Authority Parity Bond Certificate is delivered upon the issuance of such Future Parity Bonds, which shall state that:
 - (i) Prior Bonds Coverage Test. Local Option Taxes received during the Base Parity Period were not less than 1.5 times Maximum Annual Prior Bond Debt Service on all Prior Bonds that will be outstanding upon the issuance of such series of Future Parity Bonds (the "Prior Bonds Coverage Requirement"); and
 - (ii) ~~Parity Bond Coverage Test for Period While Motor Vehicle Tax Not Included as Pledged Taxes.~~ Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement (and after all the Motor Vehicle Tax has been applied for that purpose) were not less than 1.5 times Maximum Annual Parity Bond Debt Service during the period that the Motor Vehicle Tax will not be included as Pledged Taxes to secure the Future Parity Bonds; and

(iii) Parity Bond Coverage Test for Period While Motor Vehicle Tax and/or Additional Taxes Are Included as Pledged Taxes. Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement, were not less than 1.5 times Maximum Annual Parity Bond Debt Service ~~during the period that the Motor Vehicle Tax and/or Additional Taxes will be included as Pledged Taxes to secure the Future Parity Bonds.~~

In preparing such certificate: (A) the Local Option Taxes and/or Pledged Taxes during the Base Parity Period may be only those shown in audited or unaudited financial statements of the Authority; provided, that (B) the Designated Authority Representative shall take into account in calculating amounts received during the Base Parity Period any Adopted Parity Rate Adjustment, Additional Taxes and Motor Vehicle Tax included as Pledged Taxes pursuant to Section 5, and taxes from annexed territory, as if such new rates, additions or the annexation had been in effect during the entire Base Parity Period; (C) the Motor Vehicle Tax and/or Additional Taxes may not be taken into account to meet the requirements of clause (iii) above unless the Authority receives an opinion of Bond Counsel to the effect that the pledge of such Motor Vehicle Tax and/or Additional Taxes to such Future Parity Bonds is in full force and effect for the period in which they are included as Pledged Taxes; (D) any Adopted Parity Rate Adjustment, Additional Taxes and/or extension of an existing tax included as part of Pledged Taxes shall be taken into account only if a certified public accountant, economic consultant or financial advisor experienced with state or local taxation or municipal bonds certifies that it is reasonable to expect that such adjusted, new or extended taxes will be received in the amounts assumed for purposes of the Authority Parity Bond Certificate; and (E) deposits into and withdrawals from the Tax Stabilization Subaccount during the Base Parity Period may not be taken into account.

The Authority covenants that it will not issue additional series of Prior Bonds unless it delivers an Authority Parity Bond Certificate as set forth in this Section in addition to any certificates that may be required under the Prior Bond Resolution. The Authority further covenants that it will not issue any obligations that are secured by a pledge of any or all of the Pledged Taxes subordinate to the pledge of any such taxes to the Prior Bonds but senior to the pledge of such taxes to the Parity Bonds.

Section 18. Amendment of Section 10(a) of Parity Bond Master 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 10(a) of the Parity Bond Master Resolution is amended as follows (additions are underscored, and deletions are shown by ~~strikethrough~~ text):

(a) Pledged Taxes. The Authority shall fix, levy and impose the rental car sales and use tax authorized by RCW 81.104.160 at a rate of not less than eight-tenths 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 impose the Sales Tax at a rate of less than ~~nine-tenths~~ one and four-tenths of one percent but not less than ~~eight-tenths~~ one and three-tenths of one percent so long as an Authority Pledged Taxes Sufficiency Certificate is delivered on or prior to the date of that reduction in rate and within 30 days after the end of each Fiscal Year during which the Sales Tax has been so reduced, which Authority Pledged Taxes Sufficiency Certificate shall comply with the requirements set forth below. To the extent permitted by law and approved by the voters (if a vote is required), the Authority may, in a Series or Supplemental Resolution, pledge to the payment of the Parity Bonds the Sales Tax in excess of ~~nine-tenths~~ one and four-tenths of one percent, the rental car sales and use tax authorized by RCW 81.104.160 in excess of eight-tenths of one percent and any other tax authorized by law. Notwithstanding the foregoing, the Authority may at its discretion pledge amounts attributable to any increase of the Sales Tax rate above ~~nine-tenths~~ one and four-tenths of one percent and any increase in the rental car sales and use tax rate above eight-tenths of one percent to any other obligations or to other Authority purposes.

If the Authority desires to impose the Sales Tax at a rate less than ~~nine-tenths~~ one and four-tenths of one percent, an Authority Pledged Taxes Sufficiency Certificate shall be delivered that states that:

(i) Prior Bonds Coverage Test. Local Option Taxes received during the Base Parity Period were not less than 1.5 times Maximum Annual Prior Bond Debt Service on all Prior Bonds outstanding on the date the Authority Pledged Taxes Sufficiency Certificate is given (the "Prior Bonds Coverage Requirement"); and

(ii) Parity Bonds Coverage Test for Period While Motor Vehicle Tax Not Included as Pledged Taxes. ~~Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement (and after all the Motor Vehicle Tax has been applied for that purpose) were not less than 1.5 times Maximum Annual Parity Bond Debt Service during the period that the Motor Vehicle Tax will not be included as Pledged Taxes to secure Parity Bonds Outstanding on the date the Authority Pledged Taxes Sufficiency Certificate is given; and~~

(iii) Parity Bonds Coverage Test for Period While Motor Vehicle Tax and/or Additional Taxes Are Included as Pledged Taxes. Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement were not less than 1.5 times Maximum Annual Parity Bond Debt Service during the period that the Motor Vehicle Tax and/or Additional Taxes will be included as Pledged Taxes to secure on all Parity Bonds

Outstanding on the date the Authority Pledged Taxes Sufficiency Certificate is given.

In preparing such certificate: (A) the Local Option Taxes and/or Pledged Taxes during the Base Parity Period may be only those shown in audited or unaudited financial statements of the Authority; provided, that (B) the Designated Authority Representative shall take into account in calculating amounts received during the Base Parity Period any Adopted Parity Rate Adjustment, and Additional Taxes and Motor Vehicle Tax included as Pledged Taxes pursuant to Section 5 and this Section 10(a), and taxes from annexed territory, as if such new rates, additions or the annexation had been in effect during the entire Base Parity Period; (C) the Sales Tax received during the Base Parity Period shall be adjusted to reflect the reduced rate of less than ~~nine-tenths~~ one and four-tenths of one percent; (D) the Motor Vehicle Tax and/or Additional Taxes may not be taken into account to meet the requirements of clause (iii) above unless the Authority receives an opinion of Bond Counsel to the effect that the pledge of such Motor Vehicle Tax and/or Additional Taxes to Parity Bonds is in full force and effect for the period in which they are included as Pledged Taxes; and (E) any Adopted Parity Rate Adjustment, Additional Taxes and/or extension of an existing tax shall be taken into account only if a certified public accountant, economic consultant or financial advisor experienced with state or local taxation or municipal bonds certifies that it is reasonable to expect that such adjusted, new or extended taxes will be received in the amounts assumed for purposes of the Authority Pledged Taxes Sufficiency Certificate.

There may be added to Local Option Taxes and/or to Pledged Taxes collected in the Base Parity Period, amounts withdrawn from the Tax Stabilization Subaccount in the Base Parity Period and deposited into the Local Option Tax Accounts and/or the Additional Taxes Accounts (provided, that the amount withdrawn from the Tax Stabilization Subaccount in the Base Parity Period may not be deemed to have exceeded 0.25 times the debt service on Parity Bonds in that Base Parity Period).

If the Authority is imposing the Sales Tax authorized by RCW 81.104.170 at a rate less than ~~nine-tenths~~ one and four-tenths of one percent and if the Authority is unable to deliver an Authority Pledged Taxes Sufficiency Certificate as described above within 30 days after the end of any Fiscal Year, it shall, within 90 days after the end of that Fiscal Year, take all action required on its part to increase the rate of that Sales Tax imposed, but not to exceed the rate of ~~nine-tenths~~ one and four-tenths of one percent for the purpose of being able to deliver such Authority Pledged Taxes Sufficiency Certificate.

The Authority shall fix, levy and impose the additional motor vehicle excise tax approved at an election held on November 8, 2016 at a rate of not less than eight-tenths of one percent. Notwithstanding the foregoing, the Authority may at its discretion pledge amounts attributable to any increase of the Motor Vehicle Tax rate above eight-tenths of one

percent (or, during any time the 1996 Motor Vehicle Tax is being imposed, above one and one-tenth of one percent) to any other obligations or to other Authority purposes.

The Authority shall fix, levy and impose the 1996 Motor Vehicle Tax, to the extent permitted by law, at a rate of not less than three-tenths of one percent.

The Authority shall take all reasonable actions necessary to impose and provide for the continued collection of the Pledged Taxes and the application of those taxes for payment of the Parity Bonds in accordance with this Parity Bond Master Resolution. The Authority shall take all reasonable actions necessary to impose and provide for the continued collection of the Local Option Taxes and the application of those taxes for the payment of the Prior Bonds in accordance with the Prior Bond Resolution and the application of those Local Option Taxes in accordance with the Prior Bond Resolution and this Parity Bond Master Resolution. Except as expressly permitted under this subsection, the Authority shall not take any action that limits, terminates, reduces or otherwise impairs its authority to impose and collect all Local Option Taxes and Pledged Taxes.

Section 19. Authorized Budget Amendments. The Designated Authority Representative is authorized and directed to determine the amount of debt service on 2016 Parity Bonds that will be payable in connection with the issuance of the 2016 Parity Bonds and to amend or cause to be amended the Authority's adopted budgets to include such amounts.

Section 20. 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 2016 Parity Bonds.

Section 21. 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 2016 Parity Bonds issued pursuant to the terms hereof.

Section 22. 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 2016 Parity Bonds, and executing contracts or other documents, is hereby ratified, approved, and confirmed.

Section 23. Effective Date. Except as otherwise expressly provided herein, this Series 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 Flores
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 R2016-32 (the "Series 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 Series Resolution; that all other requirements and proceedings incident to the proper adoption of the Series 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
Board Administrator

