



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 26, 2011

Motion 13520

Proposed No. 2011-0330.2

Sponsors Patterson

1 A MOTION of the county council approving the sale of the
2 county's Limited Tax General Obligation Refunding Bonds,
3 2011, in the aggregate principal amount of \$25,700,000 and
4 the terms and conditions thereof, as set forth in a bond
5 purchase contract therefor, approving and authorizing the
6 execution of such bond purchase contract, and establishing
7 the plan of refunding, all in accordance with Ordinance
8 15780.

9 WHEREAS, pursuant to Ordinance 15780 (the "Bond Ordinance"), the county
10 council authorized the issuance of one or more series of its limited tax general obligation
11 refunding bonds in an outstanding aggregate principal amount not to exceed \$75,000,000
12 to refund all or a portion of the county's Limited Tax General Obligation and Refunding
13 Bonds (Various Purpose), 1993 Series B, Limited Tax General Obligation and Refunding
14 Bonds (Various Purpose), 1996 Series A, Limited Tax General Obligation Bonds
15 (Various Purpose), 2001, Limited Tax General Obligation Bonds (Various Purpose),
16 2002, Limited Tax General Obligation Bonds, 2003, Series A and Limited Tax General
17 Obligation and Refunding Bonds, 2003, Series B, and

18 WHEREAS, the Bond Ordinance provided that such bonds may be publicly sold
19 in one or more series, any of which may be sold in a combined offering with other bonds

20 of the county, either by negotiated sale or by competitive bid, as determined by the
21 Finance Director in consultation with the county's financial advisors, and

22 WHEREAS, the Finance Director has determined that a series of the bonds
23 authorized pursuant to the Bond Ordinance, to be designated as the county's Limited Tax
24 General Obligation Refunding Bonds, 2011 (the "Bonds") be sold by negotiated sale as
25 provided herein, and

26 WHEREAS, \$43,060,000 of the bonds authorized by the Bond Ordinance are
27 currently outstanding. The aggregate principal amount of all such bonds (including the
28 Bonds) to be outstanding on the date of issuance of the Bonds, computed as provided in
29 the Bond Ordinance, will be \$68,760,000, which amount does not exceed \$75,000,000,
30 and

31 WHEREAS, pursuant to the Bond Ordinance, the Finance Director has negotiated
32 the sale of the Bonds to Citigroup Global Markets Inc. (the "Underwriter"), and a
33 preliminary official statement dated July 15, 2011, has been prepared for the public sale
34 of the Bonds, and

35 WHEREAS, it is in the best interest of the county that the Bonds be sold to the
36 Underwriter in a negotiated sale on the terms set forth in the attached bond purchase
37 contract, the Bond Ordinance and this motion;

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

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

41 B. Approval of Sale of Bonds and Purchase Contract. The issuance and sale to
42 the Underwriter of the Bonds, designated as the county's Limited Tax General Obligation

43 Refunding Bonds, 2011, in the aggregate principal amount of \$25,700,000, and the other
44 terms and conditions thereof as set forth in the bond purchase contract attached hereto as
45 Attachment A (the "Purchase Contract"), are hereby ratified and confirmed; and the
46 Purchase Contract is hereby approved. The Bonds shall be dated, shall mature on the
47 dates in each of the years and in the principal amounts, shall bear interest at the rates and
48 payable on the dates, and shall be subject to redemption prior to maturity in the amounts,
49 in the manner and at the prices as set forth in the Purchase Contract. In all other respects,
50 the Bonds shall conform to the terms and conditions specified in the Purchase Contract
51 and the Bond Ordinance, which terms are hereby ratified and confirmed. The Finance
52 Director is authorized to execute the Purchase Contract on behalf of the county.

53 C. Application of Bond Proceeds; Refunding of Refunded Bonds.

54 1. Application of Bond Proceeds. All of the net proceeds of the Bonds shall be
55 applied to: (a) the refunding of (i) \$3,115,000 of the county's Limited Tax General
56 Obligation Bonds (Various Purpose), 2002 maturing on December 1, 2013 (the
57 "Refunded 2002 Bonds"), by providing for the payment of the interest on those Refunded
58 2002 Bonds that will become due and payable on or before December 1, 2012 (the
59 "Refunded 2002 Bond Redemption Date"), and the redemption price of the Refunded
60 2002 Bonds that will be called for redemption on the Refunded 2002 Bond Redemption
61 Date; (ii) \$17,110,000 of the county's Limited Tax General Obligation Bonds, 2003,
62 Series A maturing on June 1 in the years 2014 through 2023, inclusive (the "Refunded
63 2003A Bonds"), by providing for the payment of the interest on those Refunded 2003A
64 Bonds that will become due and payable on or before December 1, 2013 (the "Refunded
65 2003A Bond Redemption Date"), and the redemption price of the Refunded 2003A

66 Bonds that will be called for redemption on the Refunded 2003A Bond Redemption Date;
67 and (iii) \$5,240,000 of the county's Limited Tax General Obligation and Refunding
68 Bonds, 2003, Series B maturing on June 1 in the years 2014 through 2023, inclusive (the
69 "Refunded 2003B Bonds" and, together with the Refunded 2002 Bonds and the Refunded
70 2003A Bonds, the "Refunded Bonds"), by providing for the payment of the interest on
71 those Refunded 2003B Bonds that will become due and payable on or before December
72 1, 2013 (the "Refunded 2003B Bond Redemption Date"), and the redemption price of the
73 Refunded 2003B Bonds that will be called for redemption on the Refunded 2003B Bond
74 Redemption Date; and (b) the payment of the costs and expenses incurred in issuing the
75 Bonds.

76 2. Plan of Refunding. The proper county officials are authorized to carry out
77 the refunding plan in accordance with Section 11 of the Bond Ordinance. The amounts,
78 maturities and redemption dates of the Refunded Bonds shall be as identified in
79 Attachment B to this motion. The amounts, maturities and interest rates of the
80 Government Obligations to be purchased to accomplish the refunding of the Refunded
81 Bonds shall be as identified in Attachment C to this motion.

82 3. Escrow Trustee. The selection of U.S. Bank National Association as Escrow
83 Trustee for the refunding of the Refunded Bonds is hereby ratified and confirmed.

84 4. Finding of Savings and Defeasance. The county council finds and determines
85 that a substantial savings will be effected by the difference between the principal and
86 interest cost over the life of the Bonds and the principal and interest cost over the life of
87 the Refunded Bonds but for such refunding, and that such Government Obligations to be
88 deposited with the Escrow Trustee and the income therefrom, together with any

89 necessary beginning cash balance, are sufficient to defease and redeem the Refunded
90 Bonds and will discharge and satisfy the obligations of the county with respect to the
91 Refunded Bonds under the ordinances pursuant to which the Refunded Bonds were
92 issued, and the pledges of the county in such ordinances. Immediately upon delivery of
93 such Government Obligations to the Escrow Trustee and the deposit of any necessary
94 beginning cash balance, the Refunded Bonds shall be deemed not to be outstanding under
95 the ordinances pursuant to which they were issued and shall cease to be entitled to any
96 lien, benefit or security under such ordinances except the right to receive payment from
97 such Government Obligations and beginning cash balance so set aside and pledged.

98 D. Undertaking to Provide Ongoing Disclosure.

99 1. Contract/Undertaking. This section D. constitutes the county's written
100 undertaking for the benefit of the owners and beneficial owners of the Bonds as required
101 by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission
102 (the "Commission").

103 2. Financial Statements/Operating Data. The county agrees to provide or cause
104 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the
105 following annual financial information and operating data for the prior fiscal year
106 (commencing in 2012 for the fiscal year ended December 31, 2011):

107 (a) annual financial statements prepared in accordance with the Budget
108 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor
109 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached
110 to the official statement as "Appendix B," which statements will not be audited, except

111 that if and when audited financial statements are otherwise prepared and available to the
112 county they will be provided;

113 (b) a summary of the assessed value of taxable property in the county;

114 (c) a summary of budgeted General Fund revenues and appropriations;

115 (d) a summary of *ad valorem* property tax levy rates per \$1,000 of assessed
116 value and delinquency rates;

117 (e) a summary of outstanding tax-supported indebtedness of the county; and

118 (f) a schedule of the aggregate annual debt service on tax-supported
119 indebtedness of the county.

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

122 Such annual information and operating data described above shall be provided on
123 or before the end of seven months after the end of the county's fiscal year. The county's
124 fiscal year currently ends on December 31. The county may adjust such fiscal year by
125 providing written notice of the change of fiscal year to the MSRB. In lieu of providing
126 such annual financial information and operating data, the county may make specific
127 cross-reference to other documents available to the public on the MSRB's internet web
128 site or filed with the Commission.

129 If not provided as part of the annual financial information discussed above, the
130 county shall provide to the MSRB the county's audited annual financial statements
131 prepared in accordance with BARS when and if available.

132 3. Specified Events. The county agrees to provide or cause to be provided, in a
133 timely manner not in excess of ten business days after the occurrence of the event, to the

134 MSRB, notice of the occurrence of any of the following specified events with respect to
135 the Bonds:

- 136 (a) principal and interest payment delinquencies;
- 137 (b) non-payment related defaults, if material;
- 138 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 139 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 140 (e) substitution of credit or liquidity providers, or their failure to perform;
- 141 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
142 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
143 5701-TEB) or other material notices or determinations with respect to the tax status of the
144 Bonds, or other material events affecting the tax status of the Bonds;
- 145 (g) modifications to rights of Bondholders, if material;
- 146 (h) Bond calls, if material, and tender offers;
- 147 (i) defeasances;
- 148 (j) release, substitution or sale of property securing repayment of the Bonds, if
149 material;
- 150 (k) rating changes;
- 151 (l) bankruptcy, insolvency, receivership, or similar event of the county;
- 152 (m) the consummation of a merger, consolidation or acquisition involving the
153 county or the sale of all or substantially all of the assets of the county, other than in the
154 ordinary course of business, the entry into a definitive agreement to undertake such an
155 action or the termination of a definitive agreement relating to any such actions, other than
156 pursuant to its terms, if material; and

157 (n) appointment of a successor or additional trustee or the change of name of a
158 trustee, if material.

159 Solely for purposes of disclosure, and not intending to modify this undertaking,
160 the county advises with reference to items (c), (j) and (n) above that no debt service
161 reserves secure payment of the Bonds, no property secures repayment of the Bonds, and
162 there is no trustee for the Bonds.

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

167 5. Electronic Format; Identifying Information. The county agrees that all
168 documents provided to the MSRB pursuant to this section D. shall be provided in an
169 electronic format and accompanied by such identifying information, each as prescribed
170 by the MSRB.

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

179 Notwithstanding any other provision of this motion, the county may amend this
180 section D., and any provision of this section D. may be waived, with an approving
181 opinion of nationally recognized bond counsel and in accordance with the rule.

182 In the event of any amendment or waiver of a provision of this section D., the
183 county shall describe such amendment in the next annual report, and shall include, as
184 applicable, a narrative explanation of the reason for the amendment or waiver and its
185 impact on the type (or in the case of a change of accounting principles, on the
186 presentation) of financial information or operating data being presented by the county. In
187 addition, if the amendment relates to the accounting principles to be followed in
188 preparing financial statements, (i) notice of such change shall be given in the same
189 manner as for a specified event under subsection 3, and (ii) the annual report for the year
190 in which the change is made should present a comparison (in narrative form and also, if
191 feasible, in quantitative form) between the financial statements as prepared on the basis
192 of the new accounting principles and those prepared on the basis of the former accounting
193 principles.

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

202 E. Further Authority. The proper county officials, their agents, and
203 representatives are hereby authorized and directed to do everything necessary for the
204 prompt issuance and delivery of the Bonds, for the preparation, execution and delivery of
205 the final official statement for the sale of the Bonds, and for the proper use and
206 application of the proceeds of such sale.

207 F. Severability. The covenants contained in this motion shall constitute a
208 contract between the county and the owners of each and every Bond. If any one or more
209 of the covenants or agreements provided in this motion to be performed on the part of the
210 county shall be declared by any court of competent jurisdiction to be contrary to law, then
211 such covenant or covenants, agreement or agreements, shall be null and void and shall be

212 deemed separable from the remaining covenants and agreements of this motion and shall
213 in no way affect the validity of the other provisions of this motion or of the Bonds.
214

Motion 13520 was introduced on 7/25/2011 and passed by the Metropolitan King County Council on 7/25/2011, by the following vote:

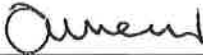
Yes: 8 - Mr. Phillips, Mr. Gossett, Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr. McDermott
No: 0
Excused: 1 - Mr. von Reichbauer

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. King County, Washington \$25,700,000 Limited Tax General Obligation Refunding Bonds, 2011 Bond Purchase Contract, B. Refunded Bonds, C. Government Obligations to be Purchased

KING COUNTY, WASHINGTON

\$25,700,000

LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2011

BOND PURCHASE CONTRACT

July 25, 2011

King County, Washington

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the "Underwriter") offers to enter into this bond purchase contract (together with the exhibits attached hereto, the "Contract") with King County, Washington (the "County"), which upon acceptance of this offer by the County will be binding upon the County and the Underwriter. This offer is made subject to receipt by the Underwriter of the documents described in this Contract and to the County's acceptance by executing this Contract and delivering it to the Underwriter at or prior to 11:59 p.m., Pacific Time, on the date of this Contract. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to acceptance of this Contract by the County.

All capitalized terms used in this Contract shall have the respective meanings ascribed to them in the Bond Legislation (defined herein), unless otherwise defined herein.

The County and the Underwriter hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth in this Contract, the Underwriter hereby agrees to purchase from the County, and the County hereby agrees to issue, sell and deliver to the Underwriter, all (but not less than all) of the above-referenced bonds (the "Bonds"). The Bonds shall be dated the date of their initial delivery to the Underwriter; shall be fully registered as to both principal and interest; and shall bear interest at the rates per annum, be payable as to principal and interest, be initially reoffered to the public at the yields and have such terms relating to redemption as are set forth in Exhibit A attached hereto and such other terms and provisions as are set forth in the Preliminary Official Statement (defined herein). The proceeds of the Bonds shall be used as described in the Preliminary Official Statement. The purchase price for the Bonds shall be \$28,373,718.35, representing the aggregate principal amount of the Bonds, plus a net original issue premium of \$2,775,583.55, less an underwriting discount of \$101,865.20.

2. Closing. Subject to the terms and conditions of this Contract, the delivery of the Bonds and payment of the purchase price of the Bonds set forth in paragraph 1 (the "Closing") shall take place at the office of the King County Treasury Operations Section no later than 10:00 a.m., Pacific Time, on August 1, 2011, or on such other day or at such other place as shall be agreed to by the Underwriter and the County (the "Closing Date"). At the Closing:

(a) the County shall deliver to the Underwriter (i) the Bonds as provided in subparagraph (c) of this paragraph and (ii) the other instruments and documents required to be delivered to the Underwriter at the Closing pursuant to paragraph 5(f);

(b) the Underwriter shall pay the purchase price of the Bonds set forth in paragraph 1 to or to the order of the County in federal funds (by any combination of one or more electronic funds or wire transfers as may be agreeable to the County and the Underwriter); and

(c) the Bonds initially shall be held in fully registered form by the Registrar on behalf of The Depository Trust Company ("DTC"), acting as depository pursuant to the terms and conditions set forth in the County's Blanket Issuer Letter of Representations with DTC. The Bonds shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of Cede & Co., as the nominee of DTC. The County shall deliver the Bonds to the Registrar on behalf of DTC at least one full business day before the Closing for purposes of inspection. The Bonds delivered at the Closing shall bear proper CUSIP numbers to be obtained by the Underwriter; provided, that neither the printing of an incorrect CUSIP number on any Bond nor the failure to print a proper CUSIP number on any Bond shall constitute cause to refuse delivery of that Bond.

3. Deliveries to Be Made Upon Acceptance; Delivery of Official Statement.

(a) At or prior to the time of the execution of this Contract, the County shall deliver to the Underwriter (i) a copy of Ordinance 15780 passed on May 21, 2007, and a motion of the County Council adopted on the date of this Contract approving this Contract and the issuance and sale of the Bonds (the "Sale Motion" and, together with Ordinance 15780, the "Bond Legislation") and (ii) two copies of the Preliminary Official Statement of the County dated July 15, 2011, relating to the Bonds (including the cover and inside cover thereof and all appendices, exhibits, reports and statements included therein or attached thereto, the "Preliminary Official Statement"), which the County has deemed final, except for information permitted to be omitted under paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). The Official Statement of the County, dated the date of this Contract, in the form of the Preliminary Official Statement, with only such amendments or supplements thereto as have been accepted by the Underwriter, is referred to as the "Official Statement."

(b) As soon as possible, but in any event no more than seven business days after the time of the County's acceptance of this Contract and in any event not later than five Business Days prior to the Closing Date, the County shall deliver to the Underwriter as many copies of the Official Statement as are required to permit the Underwriter to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board ("MSRB") and Rule 15c2-12. The County hereby ratifies, approves and confirms the distribution and use of the

Preliminary Official Statement by the Underwriter and hereby authorizes the distribution and use of the Official Statement in connection with the public offering and sale of the Bonds.

(c) If, between the date of this Contract and 25 days after the “end of the underwriting period,” as that term is defined in paragraph (f)(2) of Rule 15c2-12, any event shall occur or any preexisting fact shall become known by the County that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires preparation and distribution of a supplement or amendment to the Official Statement, the County will, at its expense, supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, which approval shall not be unreasonably withheld. The end of the underwriting period shall be the Closing Date unless the County is informed otherwise in writing by the Underwriter. If the Official Statement is supplemented or amended pursuant to this subparagraph, as of the date of each supplement or amendment thereto, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit or fail to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. Representations and Warranties of the County. The County hereby represents and warrants to the Underwriter, and (as appropriate) covenants to the Underwriter, as follows:

(a) The County is a duly created and existing political subdivision of the State of Washington and has all requisite legal right, power and authority (i) to enter into this Contract; (ii) to pass the Bond Legislation; (iii) to execute, issue, sell and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Contract and the Escrow Agreement dated the Closing Date (the “Escrow Agreement”), by and between the County and U.S. Bank National Association, as escrow trustee (the “Escrow Trustee”); (v) to execute and deliver the Official Statement; and (vi) to consummate the transactions to which it is or is to be a party as contemplated by this Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement. The execution, delivery and performance of this Contract, the Bonds and the Escrow Agreement, and the passage of the Bond Legislation and the issuance of the Bonds thereunder, the execution and delivery by the County and the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement and the consummation by the County of the transactions to which it is or is to be a party as contemplated by this Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) In the Sale Motion, the County entered into a written agreement or contract constituting an undertaking to provide ongoing disclosure for the benefit of the holders of the Bonds as required by paragraph (b)(5)(i) of Rule 15c2-12 and in the form summarized in the Preliminary Official Statement and the Official Statement.

(c) This Contract, the Escrow Agreement, the Official Statement and the Bonds (when delivered and paid for at the Closing) have been or at the Closing shall be duly

authorized, approved, executed, delivered and (in the case of the Bonds) registered and issued. This Contract constitutes, and the Bonds, when registered, issued, executed and delivered, and the Escrow Agreement, when executed and delivered, will constitute, legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally. The performance by the County of its obligations contained in this Contract, the Bond Legislation, the Bonds and the Escrow Agreement and the consummation by it of all transactions contemplated by this Contract, the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement to have been performed or consummated at or prior to the Closing, as the case may be, have been duly authorized and approved by the County. The Bond Legislation has been duly and lawfully passed by the County, is in full force and effect and is valid and binding upon the County and enforceable in accordance with its terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally. When delivered and paid for at the Closing, the Bonds will constitute valid, legally binding limited tax general obligations of the County and shall be entitled to the benefits and the security, and shall be subject only to the terms and conditions, set forth in the Bond Legislation and described in the Official Statement. The issuance of the Bonds is permitted by, and the Bonds when issued will be issued in compliance with, the provisions of the Bond Legislation.

(d) To the best knowledge of the Director of the Business and Finance Division of the County's Department of Executive Services (the "Finance Director"), after due inquiry, the County is not in material breach of, or in material default under, any indenture, bank loan or credit agreement, bond or note, nor is the County in default under any statute, ordinance, resolution or (in any material respect) any other agreement or instrument, regulation, order, decree, license, permit, judgment, ruling or law or constitutional provision to which the County is a party, which breach or default would adversely affect the validity or enforceability of the Bonds.

(e) The passage of the Bond Legislation, the execution, delivery and performance of this Contract and the Escrow Agreement, the issuance and sale of the Bonds and the consummation of the transactions contemplated by this Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement will not, in any material respect, conflict with or constitute on the part of the County a material breach of or material default under any agreement, indenture, bond, note, statute, ordinance, resolution or other instrument to which the County is a party or to which it is bound or subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(f) Except as described in the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (either of the State of Washington or the United States) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of this Contract, the Bond Legislation, the Bonds or the Escrow Agreement; (ii) the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement; or (iii) the legal existence of the County, the title of its elected officers to their respective offices, or the County's authority to perform its obligations

hereunder or with respect to the Bonds, or to consummate any of the transactions to which it is or is to be a party as contemplated by this Contract, the Bond Legislation, the Bonds, the Escrow Agreement or the Official Statement; and to the best knowledge of the Finance Director, after due inquiry, there is no other event or circumstance that would have a material adverse effect on the power or ability of the County to perform its obligations hereunder or with respect to the Bonds or to consummate the transactions to which it is or is to be a party as contemplated by this Contract, the Bond Legislation, the Bonds, the Escrow Agreement or the Official Statement.

(g) The Bonds and the Bond Legislation conform in all material respects to the descriptions thereof contained in the Official Statement.

(h) The Official Statement as of the date of this Contract is true and complete in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the information contained therein not misleading. However, no warranty is given with respect to the information under the caption entitled "LEGAL AND TAX INFORMATION—Tax Exemption—*General*" and the information concerning DTC or the book-entry system.

(i) Except as described in the Official Statement, the County does not intend to issue or incur, and the County is not aware of any plans to issue or incur, prior to the issuance of the Bonds, any other general obligation bonds, notes or other obligations for borrowed money the repayment of which is backed by a pledge of the full faith and credit of the County or any material liabilities, direct or contingent, that will have a material adverse effect on the financial condition of the County, nor does the County expect, prior to the issuance of the Bonds, there to be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the County.

(j) In the previous five years, the County has not failed to comply, in all material respects, with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

(k) Except as described in the Official Statement, all approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required to be obtained by the County as a condition precedent to the performance by the County of its obligations under this Contract, the Bond Legislation, the Bonds or the Escrow Agreement have been obtained and are in full force and effect (except no representation is made as to compliance with Blue Sky laws).

(l) Any certificates signed by any authorized representative or officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(m) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the Underwriter as may be requested (i) to qualify the Bonds for offer and sale

under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as may be designated by the Underwriter; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction. The County consents to the use of this Contract, the Bond Legislation, the Escrow Agreement and the Official Statement by the Underwriter in obtaining such qualifications.

(n) The County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the County is a bond issuer whose arbitrage certificates may not be relied upon.

(o) The financial statements of the County contained in the Preliminary Official Statement and the Official Statement fairly present the financial position of the County as of the dates and for the periods therein set forth; such financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities in the State of Washington, except to the extent described therein, and there has been no material adverse change in the financial position or results of operations of the County from those set forth in the Preliminary Official Statement and the Official Statement.

(p) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Contract is an arm's-length commercial transaction between the County and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent or fiduciary of the County, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the County with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters), and (iv) the County has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

5. Conditions to the Obligations of the Underwriter. In addition to any other conditions herein stated, the obligations of the Underwriter hereunder are subject to the following conditions:

(a) The Bonds shall be issued and secured under and pursuant to the Bond Legislation and shall be as described in and shall have the terms and conditions set forth in the Bond Legislation, this Contract and the Preliminary Official Statement.

(b) At the time of the Closing, (i) this Contract, the Bond Legislation and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified or supplemented; (ii) the County shall perform or have performed all of its respective obligations required under or specified in this Contract, the Bond Legislation and the Escrow Agreement to be performed at or prior to the Closing; and (iii) all actions by or on behalf of the County or

otherwise necessary to execute, authenticate, issue, deliver and sell the Bonds pursuant hereto to give effect to the pledges and other provisions of the Bond Legislation shall have been taken.

(c) As of the date of the Official Statement, the Official Statement shall not have contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and at the time of the Closing, the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) Subsequent to the respective dates as of which information in the Official Statement is dated, and prior to the Closing, no material adverse change, or any development involving a prospective material adverse change, in the condition of the County, financial or otherwise, shall have taken place (other than as referred to in or contemplated by the Official Statement), and if prior to the Closing such an event occurs the County shall promptly notify the Underwriter, and if in the opinion of the Underwriter such event requires a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement at its expense, in a form and in a manner approved by the Underwriter.

(e) The representations and warranties of the County contained herein shall have been true and complete on the date made and shall be true and complete at the time of the Closing with the same effect as if made at such time.

(f) At or prior to the Closing, unless otherwise agreed by the Underwriter in writing, the Underwriter shall receive the following documents:

(i) Copies of Ordinance 15780 and the Sale Motion, each certified by the Clerk of the County Council to have been duly passed by the County and to be in full force and effect as of the Closing.

(ii) The approving opinion of Gottlieb Fisher PLLC ("Bond Counsel"), dated the Closing Date, in substantially the form attached to the Preliminary Official Statement as Appendix A.

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (A) the County has the legal right, power and authority (1) to pass the Bond Legislation and to enter into this Contract and the Escrow Agreement, (2) to issue, sell and deliver the Bonds to the Underwriter, (3) to perform its obligations under this Contract, the Bond Legislation and the Escrow Agreement and (4) to carry out the transactions contemplated by this Contract, the Bond Legislation, the Bonds and the Escrow Agreement; (B) the County has duly passed the Bond Legislation, has duly approved, authorized, executed and delivered this Contract and the Escrow Agreement, and, assuming with respect to this Contract and the Escrow Agreement due execution and delivery thereof by the other parties thereto, this Contract, the Bond Legislation and the Escrow Agreement constitute the legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, to the

application of equitable principles and to the exercise of judicial discretion, except that no opinion need be expressed with respect to any provisions of this Contract providing for indemnification; (C) the Bonds have been duly authorized, executed and delivered and are entitled to the benefits and security provided by the Bond Legislation; (D) the County has duly authorized the Finance Director to approve and execute the Official Statement; (E) no consent or approval of, or registration or filing with, any commission, board, authority, regulatory body or instrumentality of the State of Washington is or was required in connection with any of the actions of the County taken in regard to the approval and issuance of the Bonds, except such consents, approvals, registrations or filings as have been obtained on or prior to the Closing, nor is any election or referendum of voters required in connection therewith; provided, that no opinion need be provided with respect to compliance with any Blue Sky laws; (F) the Bonds and their offer and sale are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Legislation is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (G) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVES AND REFERENDA," "LEGAL AND TAX INFORMATION—Tax-Exemption—*General*," "LEGAL AND TAX INFORMATION—Tax-Exemption—*Continuing Requirements*" and "LEGAL AND TAX INFORMATION—Continuing Disclosure Undertaking," insofar as such statements contained under such captions purport to summarize certain provisions of the Bond Legislation and the Bonds, are true and correct; and (H) based solely upon our participation as Bond Counsel in certain conferences with representatives of the County, the Underwriter, the financial advisor to the County and Underwriter's counsel, during which conferences the contents of the Official Statement and related matters were discussed, and without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, except as expressly set forth in the preceding clause (G), no facts came to the attention of the attorneys of such firm rendering legal services in connection with their representation as Bond Counsel that caused such firm to believe that the Official Statement (except for information concerning DTC and the book-entry system and any financial, demographic and statistical data and projections included in the Official Statement, as to all of which no view need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented as of the Closing (except as aforesaid) as of the Closing contains, any untrue statement of a material fact or that the Official Statement as of its date omitted, or that the Official Statement as so amended or supplemented as of the Closing (except as aforesaid) as of the Closing omits, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iv) An opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the Refunded Bonds have been legally defeased and deemed not to be outstanding under the authorizing legislation pursuant to which they were issued.

(v) An opinion, dated the Closing Date and addressed to the Underwriter, of Foster Pepper PLLC, counsel to the Underwriter, to the effect that (A) the offer and sale of the Bonds by the Underwriter are exempt from the registration requirements of the Securities Act; (B) the Bond Legislation is exempt from qualification under the Trust Indenture

Act; (C) the undertaking set forth in the Sale Motion, together with this Contract, provide a suitable basis for the Underwriter to reasonably determine, pursuant to paragraph (b)(5)(i) of Rule 15c2-12, that the County has undertaken in written agreements or contracts for the benefit of the holders of the Bonds to provide the annual financial information and notices required by Rule 15c2-12; and (D) no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that caused such attorneys to believe that the Official Statement (except any financial, economic or statistical data contained in the Official Statement, any information contained in the Official Statement regarding DTC or how interest on the Bonds is treated for federal income tax purposes, and the information contained in the appendices to the Official Statement, as to all of which no opinion or belief need be expressed), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(vi) A certificate of the County Prosecuting Attorney substantially in the form set forth in Exhibit B attached hereto.

(vii) The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the County by the Finance Director.

(viii) A copy of the duly executed Escrow Agreement.

(ix) A report of Grant Thornton LLP, independent certified public accountants, verifying the mathematical accuracy of the computations determining the adequacy of the cash and the maturing principal of and interest on the Government Obligations to pay, when due, the principal of and premium and interest on the Refunded Bonds.

(x) Evidence satisfactory to the Underwriter that the Bonds have been assigned ratings of "AA+," "Aa1" and "AAA" by Fitch Ratings, Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

(xi) A certificate of the County, executed by an authorized representative of the County, dated the Closing Date, to the effect that (A) the representations, warranties and covenants of the County contained in this Contract are true and correct in all material respects on and as of the Closing with the same effect as if made as of the Closing; (B) to the best knowledge of such authorized representative, as of the date of this Contract and as of the Closing, the Official Statement was and is true and complete in all material respects and does not contain an untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation or warranty need be made with respect to the information contained under the caption entitled "LEGAL AND TAX INFORMATION—Tax-Exemption—*General*" and the information concerning DTC or the book-entry system); (C) the County is not in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations for borrowed money of the County; (D) to the best knowledge of such authorized representative, the County has never defaulted in the payment of principal of or interest on any

of its obligations for borrowed money; and (E) the County has complied in all material respects with all agreements and satisfied in all material respects all conditions contemplated by this Contract, the Bond Legislation and the Escrow Agreement on its part to be performed or satisfied at or prior to the delivery of the Bonds.

(xii) A tax exemption and non-arbitrage certificate dated the Closing Date signed by an authorized representative of the County setting forth facts, estimates and circumstances (including covenants of the County) in existence as of the Closing, sufficient to support the conclusion that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended, and stating that to the best of such representative's knowledge and belief, there are no other facts, estimates or circumstances that would adversely affect such expectations.

(xiii) A certificate of the Escrow Trustee, executed by an authorized officer of the Escrow Trustee, dated the Closing Date, to the effect that (A) the Escrow Trustee is a duly organized and validly existing national banking association under the laws of the United States, legally doing business in and duly qualified to exercise trust powers in the State of Washington, eligible under the Escrow Agreement to act as Escrow Trustee thereunder, and has full corporate right, power and authority to accept the trusts contemplated by and to perform all duties and obligations on its part to be performed and to take all actions required or permitted on its part to be taken under and pursuant to the Escrow Agreement; (B) the Escrow Trustee has duly authorized the acceptance of the trusts contemplated by the Escrow Agreement, has duly accepted the duties and obligations of Escrow Trustee thereunder, and the duties and obligations of the Escrow Trustee under the Escrow Agreement constitute valid, legal and binding obligations of the Escrow Trustee in accordance with the terms of the Escrow Agreement subject to customary qualifications and exceptions; (C) all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, agency, board or commission having jurisdiction in the matter which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Escrow Trustee of its duties and obligations under the Escrow Agreement, have been obtained and are in full force and effect; (D) the acceptance of the duties and obligations of the Escrow Trustee under the Escrow Agreement and the performance or the consummation of the transactions on the part of the Escrow Trustee contemplated in the Escrow Agreement and the compliance by the Escrow Trustee with the terms, conditions and provisions of the Escrow Agreement have been duly authorized by all necessary corporate action on the part of the Escrow Trustee and do not contravene any provision of applicable law or regulation or any order, decree, writ or injunction or the Escrow Trustee's articles of association or bylaws, and do not require consent under (except to the extent such consent has been obtained), or result in a breach of or default under, any credit agreement or other instrument to which the Escrow Trustee is a party or is otherwise subject or bound; and (E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body, pending or threatened, in any way contesting or affecting the creation, organization or existence of the Escrow Trustee or the authority of the Escrow Trustee to accept or perform the duties and obligations of the Escrow Trustee under the Escrow Agreement.

(xiv) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the accuracy, as of the date of this Contract and as of the Closing, of the County's representations and warranties contained herein and in the Official Statement and contained in any of the certificates or other documents referred to in this Contract, as the same may be supplemented or amended, and the due performance and satisfaction by the County at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the County.

All certificates, opinions and other documents and instruments delivered pursuant to this paragraph shall be satisfactory in form and substance to the Underwriter and to Foster Pepper PLLC, counsel to the Underwriter, approval of such form and substance not to be unreasonably withheld.

6. Termination of Contract. The Underwriter shall have the right in its sole discretion to cancel the Underwriter's obligations hereunder to purchase the Bonds (and such cancellation shall not constitute a default hereunder) by notifying the County of its election to do so between the date of this Contract and the Closing if, at any time hereafter and prior to the Closing:

(a) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by (i) an amendment to the Constitution of the United States or by any legislation that shall have been introduced in or enacted by the Congress of the United States; (ii) legislation pending in the Congress of the United States; or (iii) legislation (including any amendment thereto, whether or not in formal bill form) recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives; or (iv) legislation (including any amendment thereto, whether or not in formal bill form) proposed that may have an effective date prior to the Closing for consideration by either such Committee or by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States; or (v) legislation favorably presented for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration; (vi) a decision by a court of the United States or the Tax Court of the United States; or (vii) a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency, with respect to federal taxation of interest received on securities of the general character of the Bonds or which would change, directly or indirectly, the federal income tax consequences resulting from ownership of or receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof.

(b) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Washington, or a decision by a court within the State of Washington shall be rendered, which in the Underwriter's

opinion, materially adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for sale of the Bonds.

(c) In the Underwriter's opinion, any act or event shall exist or may exist that requires or has required an amendment or supplement to the Official Statement, or the subject matter of any amendment or supplement to the Official Statement materially and adversely affects (i) the market price or marketability of the Bonds or (ii) the ability of the Underwriter to enforce contracts for sale of the Bonds.

(d) The New York Stock Exchange or other national securities exchange, the MSRB, the Financial Industry Regulatory Authority ("FINRA"), or any governmental authority or agency shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the offering, sale and distribution, or extension of credit in connection with the purchase of the Bonds.

(e) A general suspension of trading on the New York Stock Exchange or other major securities exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction.

(f) A general banking moratorium shall have been established by the United States or State of New York or State of Washington authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred.

(g) Any amendment to the Constitution of the United States, any legislation enacted by the United States, any decision of any court of the United States, or any order, ruling, regulation or official statement issued or made by or on behalf of the Securities and Exchange Commission, or of any other governmental agency having jurisdiction over the subject matter, having the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from the registration requirements of the Securities Act, or that the Bond Legislation is not exempt from qualification under the Trust Indenture Act.

(h) Any rating of the Bonds or any other general obligations of the County shall have been downgraded, suspended or withdrawn or placed on credit watch with a negative outlook by a national rating service, which event, in the Underwriter's opinion, materially adversely affects the market price or marketability of the Bonds, or any proceeding shall be pending or threatened by the Securities and Exchange Commission or the Attorney General of the State of Washington against the County relating to the Bonds.

(i) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, including financial crisis, the effect of which on the financial markets of the United States being such, as in the reasonable judgment of the

Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds.

(j) There shall have occurred any event as a result of which the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading.

7. Effect of Termination. If the sale of the Bonds to the Underwriter, as herein contemplated, is not carried out by the Underwriter for any reason permitted hereunder or if such sale is not carried out because the County shall be unable to comply with any of the terms hereof, the County shall not be under any obligation or liability under this Contract (except to the extent provided in paragraph 8), and the Underwriter shall be under no obligation or liability to the County hereunder.

8. Payment of Costs.

(a) Whether or not the Bonds are issued as contemplated by this Contract, the Underwriter shall be under no obligation to pay, and the County hereby agrees to pay, any expenses incident to the performance of the County's obligations hereunder, including (i) the costs of the preparation and printing of the Bonds and the Bond Legislation, preparation, printing and distribution of the Official Statement, and preparation of all other documents prepared by the County, Bond Counsel or other counsel to the County; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of other counsel to the County; (iv) the fees of agencies rating the Bonds; (v) the fees of the Registrar; (vi) the fees and disbursement of accountants, consultants and advisors to the County, including the fees of the financial advisor to the County and fees of the Registrar, Escrow Trustee and verification agent; and (vii) any other costs and expenses, including costs and expenses of the County incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter.

(b) The Underwriter shall pay (i) any fees assessed upon the Underwriter with respect to the Bonds by the MSRB and FINRA; (ii) all advertising expenses in connection with any public offering of the Bonds; (iii) the costs of qualifying the Bonds under the Blue Sky or other securities laws of such jurisdictions as the Underwriter may determine and the costs of the preparation and printing of Blue Sky memoranda; and (iv) all other costs and expenses incurred by them in connection with any public offering and distribution of the Bonds, including the fees and disbursements of Foster Pepper PLLC, counsel to the Underwriter.

9. Indemnification. To the extent permitted by law, the County shall indemnify and hold harmless the Underwriter, each of its partners, members, officers and employees and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of

or are based upon (i) determination that the Bonds should have been registered under the Securities Act or the Bond Legislation should have been qualified under the Trust Indenture Act, or (ii) any untrue statement of a material fact contained in the Official Statement or any supplement thereto, or the omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity as described in this paragraph is limited to such losses or damages as are directly the result of the acts or omissions of the County and, should any Indemnified Party make a claim for indemnity under this Contract, the County shall have the right to (i) retain counsel to defend any such action and (ii) control and direct any defense of such claims in such action. This indemnity shall not be construed as a limitation on any other liability that the County may otherwise have to any Indemnified Party; provided, that in no event shall the County be obligated for double indemnification.

10. Notices. Any notice or other communication to be given to the County under this Contract may be given by delivering the same in writing to the office of the Finance Director, 500 Fourth Avenue, Room 600, Seattle, Washington 98104, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Citigroup Global Markets, Inc., 601 Union Street, Suite 5130, Seattle, Washington 98101, Attention: Jerry Bobo.

11. General. This Contract is made solely for the benefit of the County and the Underwriter (including any successor of the Underwriter), and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds and any termination of this Contract.

12. Waivers. Notwithstanding any provision of this Contract to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by them at the discretion of the Underwriter.

13. Effectiveness of Contract. This Contract shall become effective upon the execution hereof by the Underwriter and an authorized representative of the County and shall be valid and enforceable as of such time.

14. Governing Law. This Contract shall be construed in accordance with and governed by the laws of the State of Washington. Venue for any action under this Contract shall be in the Superior Court of the State of Washington for King County or in the United States District Court for the Western District of Washington, Seattle, Washington.

15. Entire Agreement. This Contract constitutes the entire agreement between the Underwriter and the County with respect to the matters covered hereby and supersedes all prior agreements and understandings between the Underwriter and the County. This Contract shall only be amended, supplemented or modified in a writing signed by both the Underwriter and the County.

16. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: _____
Jerry Bobo, Director

Accepted on: July 25, 2011

KING COUNTY, WASHINGTON

By: _____
Authorized Representative

EXHIBIT A

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES,
INITIAL REOFFERING YIELDS AND REDEMPTION PROVISIONS**

Maturity Date	Principal Amount	Interest Rate	Initial Reoffering Yield
December 1, 2011	\$ 215,000	2.00%	0.20%
December 1, 2012	100,000	2.00	0.40
December 1, 2013	3,145,000	4.00	0.56
June 1, 2014	1,860,000	4.00	0.80
June 1, 2015	1,910,000	2.00	1.13
June 1, 2016	1,975,000	4.00	1.47
June 1, 2017	2,070,000	5.00	1.81
June 1, 2018	2,180,000	5.00	2.20
June 1, 2019	2,255,000	2.50	2.54
June 1, 2020	2,325,000	3.50	2.79
June 1, 2021	2,430,000	5.00	2.98
June 1, 2022	2,550,000	5.00	3.15*
June 1, 2023	2,685,000	5.00	3.31*

* Calculated to the par call date of June 1, 2021.

Redemption Provisions. The County reserves the right to redeem outstanding Bonds maturing on or after June 1, 2022, in whole or in part, at any time on or after June 1, 2021, at the price of par plus accrued interest, if any, to the date fixed for redemption.

EXHIBIT B

CERTIFICATE OF CHIEF CIVIL DEPUTY COUNTY PROSECUTING ATTORNEY

I, Kevin Wright, the duly appointed and qualified Chief Civil Deputy Prosecuting Attorney of King County, Washington (the "County"), in connection with the issuance by the County of its Limited Tax General Obligation Refunding Bonds, 2011 (the "Bonds"), DO HEREBY CERTIFY as follows:

1. That as of the time and date written below, to the best of my knowledge, there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the levy and collection of taxes pledged to pay the principal thereof and interest thereon, or in any manner questioning or contesting the proceedings and authority under which the Bonds are issued, the validity of the Bonds, the corporate existence or boundaries of the County, or the title of the present officers to their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds when due.

2. That as of the time and date written below, no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded.

3. That as of the time and date written below, the statements contained in the Official Statement relating to the Bonds dated July 25, 2011, under the captions "LEGAL AND TAX INFORMATION—Litigation" and "LEGAL AND TAX INFORMATION—Recent Developments in Non-Tort Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of such litigation, and are true and correct.

DATED: [Closing Date], at 8:30 a.m.

For DAN SATTERBERG,
King County Prosecuting Attorney

Kevin Wright
Chief Civil Deputy

ATTACHMENT B
REFUNDED BONDS

Description of Refunded 2002 Bonds

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2013	\$3,115,000	3.500%	12/1/2012	100.00%

Description of the Refunded 2003A Bonds

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2014	\$1,335,000	5.250%	12/1/2013	100.00%
2015	1,405,000	5.250	12/1/2013	100.00
2016	1,485,000	5.250	12/1/2013	100.00
2017	1,565,000	5.250	12/1/2013	100.00
2018	1,650,000	5.250	12/1/2013	100.00
2019	1,735,000	5.250	12/1/2013	100.00
2020	1,830,000	5.250	12/1/2013	100.00
2021	1,930,000	5.250	12/1/2013	100.00
2022	2,035,000	5.250	12/1/2013	100.00
2023	2,140,000	5.250	12/1/2013	100.00

Description of the Refunded 2003B Bonds

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2014	\$425,000	4.100%	12/1/2013	100.00%
2015	440,000	4.200	12/1/2013	100.00
2016	460,000	4.250	12/1/2013	100.00
2017	480,000	4.375	12/1/2013	100.00
2018	505,000	4.500	12/1/2013	100.00
2019	525,000	4.600	12/1/2013	100.00
2020	555,000	5.250	12/1/2013	100.00
2021	585,000	5.250	12/1/2013	100.00
2022	615,000	5.250	12/1/2013	100.00
2023	650,000	5.250	12/1/2013	100.00

ATTACHMENT C

GOVERNMENT OBLIGATIONS TO BE PURCHASED

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Purchase Cost	Accrued Interest	Total Purchase Cost
TNote	11/30/2011	\$ 382,000	0.750%	0.025378%	100.23953	\$ 382,915.00	\$ 485.33	\$ 383,400.33
TNote	5/31/2012	383,000	4.750%	0.168901%	103.80057	397,556.18	3,081.79	400,637.97
TNote	11/30/2012	3,506,000	0.500%	0.268689%	100.30699	3,516,763.07	2,969.56	3,519,732.63
TNote	5/31/2013	347,000	0.500%	0.354985%	100.26432	347,917.19	293.91	348,211.10
TNote	11/30/2013	22,696,000	2.000%	0.446560%	103.59743	23,512,472.71	76,893.55	23,589,366.26
		\$27,314,000				\$28,157,624.15	\$83,724.14	\$28,241,348.29