



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**January 13, 2015**

**Motion 14281**

**Proposed No. 2015-0031.2**

**Sponsors McDermott**

1           A MOTION of the county council approving a purchase  
2           contract for the county's Sewer Revenue Refunding Bonds,  
3           2015, Series A, in the aggregate principal amount of  
4           \$474,025,000 and Limited Tax General Obligation  
5           Refunding Bonds (Payable from Sewer Revenues), 2015,  
6           Series A, in the aggregate principal amount of  
7           \$247,825,000 and establishing certain terms of such bonds,  
8           and approving a plan of refunding from proceeds of such  
9           bonds, all in accordance with Ordinance 17599, as  
10          amended.

11          WHEREAS, the county council by Ordinance 17599 passed on June 3, 2013, as  
12          amended on January 12, 2015 ("the Bond Ordinance"), authorized the issuance and sale  
13          of not to exceed \$1,300,000,000 aggregate principal amount of bonds of the county  
14          payable from sewer revenues to refund certain outstanding bonds of the county payable  
15          from sewer revenues ("the Refunding Bonds"), and

16          WHEREAS, the Bond Ordinance authorizes the sale of the Refunding Bonds in  
17          one or more series, as Parity Bonds or Parity Lien Obligations (as such terms are defined  
18          in the Bond Ordinance), as Tax-Exempt Bonds or otherwise, and by negotiated sale or

19 competitive bid, as determined by the county's director of finance and business operations  
20 division ("the Finance Director") in consultation with the county's financial advisor, and

21 WHEREAS, the county has heretofore issued the following Refunding Bonds:  
22 Sewer Revenue and Refunding Bonds, 2013, Series B, in the aggregate principal amount  
23 of \$25,470,000; Sewer Revenue and Refunding Bond, 2014, Series A, in the aggregate  
24 principal amount of \$70,355,000; and Sewer Revenue Refunding Bonds, 2014, Series B,  
25 in the aggregate principal amount of \$192,460,000; and

26 WHEREAS, the Finance Director has determined that \$474,025,000 principal  
27 amount of Refunding Bonds be sold by negotiated sale in a series of Parity Bonds, to be  
28 designated as the county's Sewer Revenue Refunding Bonds, 2015, Series A ("the Sewer  
29 Revenue Bonds"), structured as Tax-Exempt Bonds, and

30 WHEREAS, the Finance Director has determined that \$247,825,000 principal  
31 amount of Refunding Bonds be sold by negotiated sale in a series of Parity Lien  
32 Obligations, to be designated as the county's Limited Tax General Obligation Refunding  
33 Bonds (Payable from Sewer Revenues), 2015, Series A ("the LTGO Sewer Bonds," and  
34 together with the Sewer Revenue Bonds, "the Bonds"), structured as Tax-Exempt Bonds,  
35 and

36 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
37 dated January 6, 2015, was prepared and distributed for the sale of the Bonds, and the  
38 Finance Director has negotiated the sale of the Bonds to J.P. Morgan Securities LLC on  
39 behalf of itself and as representative of the other underwriters ("the Underwriters")  
40 named in the bond purchase contract attached hereto as Attachment A to this motion  
41 ("the Purchase Contract"), and

42 WHEREAS, it is in the best interest of the county that the Bonds be sold to the  
43 Underwriters on the terms set forth in the Purchase Contract, the Bond Ordinance, and  
44 this motion, and

45 WHEREAS, in accordance with the Bond Ordinance, the council wishes to ratify  
46 and confirm certain terms of the Bonds and approve a plan of refunding certain  
47 outstanding sewer revenue bonds and outstanding limited tax general obligation bonds  
48 payable from sewer revenues of the county from proceeds of the Bonds, as set forth  
49 herein;

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

51 A. **Definitions.** Except as expressly authorized herein, capitalized terms used  
52 in this motion have the meanings set forth in the Bond Ordinance.

53 B. **Approval of Bond Purchase Contract and Authorization of Bonds.**  
54 The issuance of the Bonds, designated as set forth in the recitals of this motion, and the  
55 terms and conditions thereof as set forth in the Purchase Contract, are hereby ratified and  
56 confirmed, and the Purchase Contract is hereby approved. The Bonds shall bear interest  
57 at the rates set forth in the Purchase Contract and shall conform in all other respects to the  
58 terms and conditions specified in the Purchase Contract and Bond Ordinance. The  
59 county reserves the right to redeem outstanding Bonds maturing on or after July 1, 2025,  
60 in whole or in part, at any time on or after January 1, 2025, at the price of par plus  
61 accrued interest, if any, to the date fixed for redemption.

62 If not previously redeemed as described above or purchased as provided in the  
63 Bond Ordinance, the Sewer Revenue Bonds bearing interest at 5.00% and maturing on  
64 July 1, 2040, will be called for mandatory sinking fund redemption (in such manner as

65 the Bond Registrar may determine) at a price of par, plus accrued interest to the date  
 66 fixed for redemption, on July 1 in the years and amounts as follows:

67	Years	Amounts
68	2039	\$25,855,000
69	2040*	27,520,000

70 \* Maturity.

71 If not previously redeemed as described above or purchased as provided in the  
 72 Bond Ordinance, the Sewer Revenue Bonds bearing interest at 3.50% and maturing on  
 73 July 1, 2040, will be called for mandatory sinking fund redemption (in such manner as  
 74 the Bond Registrar may determine) at a price of par, plus accrued interest to the date  
 75 fixed for redemption, on July 1 in the years and amounts as follows:

76	Years	Amounts
77	2039	\$10,100,000
78	2040*	10,100,000

79 \* Maturity.

80 If not previously redeemed as described above or purchased as provided in the  
 81 Bond Ordinance, the Sewer Revenue Bonds bearing interest at 4.00% maturing on July 1,  
 82 2045, will be called for mandatory sinking fund redemption (in such manner as the Bond  
 83 Registrar may determine) at a price of par, plus accrued interest to the date fixed for  
 84 redemption, on July 1 in the years and amounts as follows:

85	Years	Amounts
86	2041	\$39,125,000
87	2042	28,035,000

88	2043	29,015,000
89	2044	30,140,000
90	2045*	31,310,000

91 \* Maturity.

92 If not previously redeemed as described above or purchased as provided in the  
93 Bond Ordinance, the Sewer Revenue Bonds bearing interest at 5.00% maturing on July 1,  
94 2047, will be called for mandatory sinking fund redemption (in such manner as the Bond  
95 Registrar may determine) at a price of par, plus accrued interest to the date fixed for  
96 redemption, on July 1 in the years and amounts as follows:

97	Years	Amounts
98	2046	\$32,690,000
99	2047*	28,275,000

100 \* Maturity.

101 **C. Satisfaction of Parity Conditions.**

102 1. **The Sewer Revenue Bonds.** In accordance with the Bond  
103 Ordinance and the provisions of the ordinances authorizing the issuance of the currently  
104 outstanding Parity Bonds, which permit the issuance of Future Parity Bonds upon  
105 compliance with the conditions set forth therein, the county council hereby finds and  
106 determines, as follows:

107 a. The Sewer Revenue Bonds are issued for the purpose of  
108 refunding and retiring prior to their maturity certain outstanding obligations of the county  
109 payable from Revenue of the System.

110                   b.       There is not now, and when the Sewer Revenue Bonds are  
111 issued there will not then be, any deficiency in the Parity Bond Fund or any account  
112 therein.

113                   c.       All money held in the Refunding Account (as identified  
114 below) allocable to refunding the Sewer Revenue Refunded Bonds (as identified below)  
115 will be used to pay the principal of and interest on the Sewer Revenue Refunded Bonds.

116                   d.       The Bond Ordinance provides for payment out of the Parity  
117 Bond Fund of the principal of and interest on the Sewer Revenue Bonds.

118                   e.       The amount that will be on deposit in the Parity Bond  
119 Reserve Account at the Closing of the Sewer Revenue Bonds will satisfy the Reserve  
120 Requirement, without the need for any additional deposit.

121                   f.       The county will have on file at the Closing of the Sewer  
122 Revenue Bonds a certificate of the Finance Director demonstrating that (i) total debt  
123 service required for all Parity Bonds (including the Sewer Revenue Bonds and not  
124 including the Sewer Revenue Refunded Bonds) will decrease and (ii) the Annual Parity  
125 Debt Service for each year that any Parity Bonds (including the Sewer Revenue Bonds  
126 and not including the Sewer Revenue Refunded Bonds) are then outstanding will not be  
127 increased by more than \$5,000 by reason of the issuance of the Sewer Revenue Bonds.

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

132 with the lien and charge on the Revenue of the System to pay and secure the payment of  
133 the outstanding Parity Bonds.

134           2.       **The LTGO Sewer Bonds.** In accordance with the Bond  
135 Ordinance and the provisions of the ordinances authorizing the issuance of the currently  
136 outstanding Parity Lien Obligations, which permit the issuance of additional Parity Lien  
137 Obligations upon compliance with the conditions set forth therein ("the Parity Conditions  
138 for Additional Parity Lien Obligations"), the county council hereby finds and determines,  
139 as follows:

140                   a.       The LTGO Sewer Bonds are to be issued to refund  
141 outstanding Parity Lien Obligations, which is a lawful purpose of the county related to  
142 the System.

143                   b.       There is not now, and when the LTGO Sewer Bonds are  
144 issued there will not then be, any deficiency in the Parity Bond Fund, the Parity Lien  
145 Obligation Bond Fund, or any other bond fund or account securing Parity Lien  
146 Obligations.

147                   c.       The county will file with the clerk of the county council, at  
148 or prior to the Closing of the LTGO Sewer Bonds, a certificate of the Finance Director  
149 stating that upon the issuance of the LTGO Sewer Bonds (i) total debt service on all  
150 Parity Bonds and Parity Lien Obligations (including the LTGO Sewer Bonds and not  
151 including the LTGO Sewer Refunded Bonds) will decrease, and (ii) the Annual Debt  
152 Service for each year that any Parity Bonds and any Parity Lien Obligations (including  
153 the LTGO Sewer Bonds and not including the LTGO Sewer Refunded Bonds) are then

154 outstanding will not be increased by more than \$5,000 by reason of the issuance of the  
 155 LTGO Sewer Bonds.

156 The applicable Parity Conditions for Additional Parity Lien Obligations having  
 157 been complied with in connection with the issuance of the LTGO Sewer Bonds, the  
 158 pledge contained in the Bond Ordinance of Revenue of the System to pay and secure the  
 159 payment of the LTGO Sewer Bonds shall constitute a lien and charge upon such revenue  
 160 equal in rank with the lien and charge upon the Revenue of the System to pay and secure  
 161 the payment of the outstanding Parity Lien Obligations.

162 **D. Refunding and Redemption of Refunded Bonds.**

163 1. **Plan of Refunding.** In accordance with Sections 16 and 28 of the

164 Bond Ordinance, the Finance Director has determined, in consultation with the county's  
 165 financial advisor, that proceeds of the Bonds will be used to refund certain outstanding  
 166 bonds of the county payable from sewer revenues (as set forth below, "the 2007 Sewer  
 167 Revenue Refunded Bonds," "the 2008 Sewer Revenue Refunded Bonds," and "the 2009  
 168 Sewer Revenue Refunded Bonds," (collectively, "the Sewer Revenue Refunded Bonds")  
 169 and "the LTGO Sewer Refunded Bonds" (together with the Sewer Revenue Refunded  
 170 Bonds, "the Refunded Bonds")) pursuant to the plan of refunding set forth below and  
 171 ratified and confirmed hereby:

172 **King County, Washington**

173 **Sewer Revenue Bonds, 2007**

174 **("the 2007 Sewer Revenue Refunded Bonds")**

175 <b>Maturities</b>	<b>Principal</b>	<b>Interest</b>	<b>Redemption</b>	<b>Redemption</b>
176 <b>(January 1)</b>	<b>Amounts</b>	<b>Rate</b>	<b>Price</b>	<b>Date</b>

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177	2031	\$1,225,000	5.00%	100%	July 1, 2017
178	2032	1,230,000	5.00	100	July 1, 2017
179	2033	3,585,000	5.00	100	July 1, 2017
180	2037	25,785,000	5.00	100	July 1, 2017
181	2039	29,980,000	5.00	100	July 1, 2017
182	2042	50,825,000	5.00	100	July 1, 2017
183	2047	28,120,000	5.00	100	July 1, 2017

184 **King County, Washington**

185 **Sewer Revenue Bonds, 2008**

186 **("the 2008 Sewer Revenue Refunded Bonds")**

187	<b>Maturities</b>	<b>Principal</b>	<b>Interest</b>	<b>Redemption</b>	<b>Redemption</b>
188	<b>(January 1)</b>	<b>Amounts</b>	<b>Rate</b>	<b>Price</b>	<b>Date</b>
189	2038	\$50,520,000	5.00%	100%	January 1, 2018
190	2040	41,345,000	5.125	100	January 1, 2018
191	2043	70,095,000	5.75	100	January 1, 2018
192	2048	142,240,000	5.25	100	January 1, 2018

193 **King County, Washington**

194 **Sewer Revenue Bonds, 2009**

195 **("the 2009 Sewer Revenue Refunded Bonds")**

196	<b>Maturities</b>	<b>Principal</b>	<b>Interest</b>	<b>Redemption</b>	<b>Redemption</b>
197	<b>(January 1)</b>	<b>Amounts</b>	<b>Rate</b>	<b>Price</b>	<b>Date</b>
198	2021	\$1,840,000	5.00%	100%	January 1, 2019
199	2023	2,010,000	5.00	100	January 1, 2019

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200	2024	2,110,000	5.00	100	January 1, 2019
201	2025	2,215,000	5.00	100	January 1, 2019
202	2026	2,325,000	5.00	100	January 1, 2019
203	2027	2,440,000	5.00	100	January 1, 2019
204	2028	2,565,000	5.00	100	January 1, 2019
205	2029	2,690,000	5.00	100	January 1, 2019
206	2030	2,825,000	5.00	100	January 1, 2019
207	2031	2,970,000	5.00	100	January 1, 2019
208	2032	3,115,000	5.00	100	January 1, 2019
209	2033	3,270,000	5.00	100	January 1, 2019

210

**King County, Washington**

211

**Limited Tax General Obligation Bonds (Payable from Sewer Revenues), 2009**

212

**("the LTGO Sewer Refunded Bonds")**

213	<b>Maturities</b>	<b>Principal</b>	<b>Interest</b>	<b>Redemption</b>	<b>Redemption</b>
214	<b>(January 1)</b>	<b>Amounts</b>	<b>Rate</b>	<b>Price</b>	<b>Date</b>
215	2021	\$8,145,000	5.00%	100%	January 1, 2019
216	2022	8,560,000	5.00	100	January 1, 2019
217	2023	9,000,000	5.00	100	January 1, 2019
218	2024	9,460,000	5.00	100	January 1, 2019
219	2025	9,950,000	5.00	100	January 1, 2019
220	2026	10,460,000	5.00	100	January 1, 2019
221	2027	10,995,000	5.00	100	January 1, 2019
222	2028	11,560,000	5.00	100	January 1, 2019

223	2029	12,150,000	5.00	100	January 1, 2019
224	2030	12,775,000	5.00	100	January 1, 2019
225	2033	42,470,000	5.125	100	January 1, 2019
226	2036	49,530,000	5.125	100	January 1, 2019
227	2039	57,880,000	5.25	100	January 1, 2019

228           As provided in Section 16 of the Bond Ordinance, the King County 2015 Series A  
229 Sewer Revenue Bonds Refunding Account ("the Refunding Account") will be established  
230 and maintained with the Escrow Agent (as identified below). Proceeds of the Bonds  
231 (exclusive of accrued interest, if any, which will be deposited into the Debt Service  
232 Account in the Parity Bond Fund or the Parity Lien Obligation Bond Fund) will be  
233 irrevocably deposited with the Escrow Agent in the Refunding Account and used,  
234 together with other funds of the county, if necessary, to defease and discharge the  
235 Refunded Bonds in accordance with the ordinances authorizing their issuance by  
236 purchasing Escrow Securities bearing such interest and maturing as to principal and  
237 interest in such amounts and at such times that, together with any necessary beginning  
238 cash balance, will provide for the payment of:

239                   a.       the interest payable on or prior to July 1, 2017, and the  
240 redemption price (100% of the principal amount) of the 2007 Sewer Revenue Refunded  
241 Bonds payable on July 1, 2017;

242                   b.       the interest payable on or prior to January 1, 2018, and the  
243 redemption price (100% of the principal amount) of the 2008 Sewer Revenue Refunded  
244 Bonds payable on January 1, 2018;

245 c. the interest payable on or prior to January 1, 2019, and the  
246 redemption price (100% of the principal amount) of the 2009 Sewer Revenue Refunded  
247 Bonds payable on January 1, 2019; and

248 d. the interest payable on or prior to January 1, 2019, and the  
249 redemption price (100% of the principal amount) of the LTGO Sewer Refunded Bonds  
250 payable on January 1, 2019.

251 The Escrow Securities will be purchased at a yield not greater than the yield  
252 permitted by the Code and regulations relating to obligations acquired in connection with  
253 refunding bond issues.

254 The selection of U.S. Bank National Association as Escrow Agent is hereby  
255 ratified and confirmed. In accordance with Section 16.B. of the Bond Ordinance, the  
256 Finance Director is authorized and directed to enter into an escrow agreement with the  
257 Escrow Agent in a form approved by the county's bond counsel.

258 The proceeds of the Bonds and other money of the county remaining in the  
259 Refunding Account after providing for the necessary beginning cash balance and the  
260 acquisition of the Escrow Securities shall be utilized to pay expenses of the Escrow  
261 Agent and other costs of issuing the Bonds. Payment of the costs of issuing the Bonds  
262 may be provided for in the escrow agreement or in a separate agreement, as the Finance  
263 Director may determine.

264 The county may, from time to time, transfer, or cause to be transferred, from the  
265 Refunding Account any money not thereafter required for the purposes set forth in  
266 subsection D.1.a. through d. of this section, subject to the provisions of the escrow  
267 agreement, or if not therein provided, then subject to verification in writing by an

268 independent certified public accountant that the transfer will not result in inadequate  
269 funds being available to make the required payments therefrom. The county reserves the  
270 right to substitute other securities for the Escrow Securities in the event it may do so  
271 pursuant to Section 148 of the Code and applicable regulations thereunder, upon  
272 compliance with the conditions set forth in the escrow agreement.

273           2.       **Redemption of Refunded Bonds.** The county hereby irrevocably  
274 sets aside sufficient funds to provide for the necessary beginning cash balance and the  
275 acquisition of the Escrow Securities to make the payments specified in subsection D.1.a.  
276 through d. of this section.

277           The county hereby defeases and calls the 2007 Sewer Revenue Refunded Bonds  
278 for redemption on July 1, 2017; the 2008 Sewer Revenue Refunded Bonds for  
279 redemption on January 1, 2018; the 2009 Sewer Revenue Refunded Bonds for  
280 redemption on January 1, 2019; and the LTGO Sewer Refunded Bonds for redemption on  
281 January 1, 2019.

282           Said defeasance and calls for redemption of the Refunded Bonds shall be  
283 irrevocable after the final establishment of the Refunding Account and delivery of the  
284 requisite cash deposit, if any, to the Escrow Agent. The Finance Director is authorized  
285 and requested to provide whatever assistance is necessary to accomplish that defeasance  
286 and redemption.

287           The Escrow Agent is hereby authorized and directed to notify the fiscal agent of  
288 the State of Washington to give notice of the defeasance and redemption of the Refunded  
289 Bonds in accordance with the applicable provisions of the ordinances authorizing their  
290 issuance. The Finance Director is authorized and requested to provide whatever

291 assistance is necessary to accomplish the defeasance and redemption and the giving of  
292 notices therefor. The costs of publication of the notices shall be an expense of the  
293 county.

294 The Escrow Agent is hereby authorized and directed to pay to the fiscal agent of  
295 the State of Washington sums sufficient to make, when due, the payments specified in  
296 subsection D.1.a. through d. of this section. All such sums shall be paid from the money  
297 deposited with the Escrow Agent in accordance with this section. All sums so paid shall  
298 be credited to the Refunding Account. All money and Escrow Securities deposited with  
299 the Escrow Agent and any income therefrom shall be held, invested and applied in  
300 accordance with the provisions of the Bond Ordinance, the escrow agreement, and the  
301 laws of the State of Washington for the benefit of the county and the owners of the  
302 Refunded Bonds.

303 **3. Findings of Saving and Defeasance.** This council hereby finds  
304 and determines that the issuance and sale of the Bonds at this time will effect a savings to  
305 the county and ratepayers of the System. In making this finding and determination, the  
306 council has given consideration to the interest on and the fixed maturities of the Bonds  
307 and the Refunded Bonds and the costs of issuance of the Bonds and the known earned  
308 income from the investment of the proceeds of sale of the Bonds pending redemption and  
309 payment of the Refunded Bonds.

310 This council hereby further finds and determines that the Escrow Securities to be  
311 deposited with the Escrow Agent and the income therefrom, together with any necessary  
312 beginning cash balance, will be sufficient to defease and redeem the Refunded Bonds and  
313 will discharge and satisfy the obligations of the county with respect to the Refunded

314 Bonds under the ordinances authorizing their issuance and the pledges of the county  
315 therein. Immediately upon the delivery of the Escrow Securities to the Escrow Agent and  
316 the deposit of any necessary beginning cash deposit, the Refunded Bonds shall be  
317 deemed not to be outstanding under their authorizing ordinances and shall cease to be  
318 entitled to any lien, benefit or security under those ordinances except the right to receive  
319 payment from the cash deposit so set aside and pledged.

320           E.       **Continuing Disclosure Undertakings.** In accordance with Section 31 of  
321 the Bond Ordinance, the county will enter into undertakings for continuing disclosure for  
322 the Sewer Revenue Bonds and the LTGO Sewer Bonds in substantially the forms  
323 described in the Official Statement for the Bonds.

324           F.       **Further Authority.** The county officials and their agents, attorneys and  
325 representatives are hereby authorized and directed to do everything necessary for the  
326 prompt issuance and delivery of the Bonds and for the proper use and application of the  
327 proceeds of sale of the Bonds.

328           G.       **Severability.** If any provision in this motion is declared by any court of  
329 competent jurisdiction to be contrary to law, then that provision shall be null and void  
330 and shall be deemed separable from the remaining provisions of this motion

331 and shall in no way affect the validity of the other provisions of this motion or of the  
332 Bonds.  
333

Motion 14281 was introduced on 1/12/2015 and passed by the Metropolitan King County Council on 1/12/2015, by the following vote:

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

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments:** A. Bond Purchase Contract



**KING COUNTY, WASHINGTON**

**\$474,025,000**

**SEWER REVENUE REFUNDING BONDS, 2015, SERIES A**

**\$247,825,000**

**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS  
(PAYABLE FROM SEWER REVENUES), 2015, SERIES A**

**BOND PURCHASE CONTRACT**

January 12, 2015

King County, Washington  
500 Fourth Avenue  
Seattle, Washington 98104

To the Metropolitan King County Council:

J.P. Morgan Securities LLC (the "Representative"), on our own behalf and on behalf of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Siebert Brandford Shank & Co., L.L.C. (together with the Representative, the "Underwriters"), offers to enter into this Bond Purchase Contract (the "Purchase Contract") with King County, Washington (the "County"). This offer is subject to the County's acceptance by execution and delivery of this Purchase Contract to the Representative at or prior to 8:00 p.m., Pacific Time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the County by the Representative at any time prior to the County's acceptance hereof. Upon the County's acceptance of this offer in accordance with the terms hereof, this Purchase Contract will be binding on the County and the Underwriters.

Any capitalized terms used in this Purchase Contract and not otherwise defined herein have the meanings given those terms in the Bond Legislation (as defined in Section 3 of this Purchase Contract).

1. **Purchase and Sale.** On the terms and conditions and on the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters agree to purchase from the County for offering to the public, and the County agrees to sell to the Underwriters for that purpose, all of the County's Sewer Revenue Refunding Bonds, 2015, Series A, in the aggregate principal amount of \$474,025,000 (the "Sewer Revenue Bonds"), and all of the County's Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 2015, Series A, in the aggregate principal amount of \$247,825,000 (the "LTGO Sewer Bonds," and together with the Sewer Revenue Bonds, the "Bonds").

The Bonds will be dated the date of their delivery to the Underwriters, will bear interest payable July 1, 2015, and semiannually on each January 1 and July 1 thereafter until maturity or earlier redemption, at the rates, and will mature on July 1 in the years and principal amounts, all as set forth in Exhibit A hereto.

The purchase price for the Sewer Revenue Bonds is \$526,839,730.99, which represents the aggregate principal amount of the Sewer Revenue Bonds, plus a net original issue premium of \$54,409,494.75, less underwriter's discount of \$1,594,763.76.

The purchase price for the LTGO Sewer Bonds is \$293,840,074.82, which represents the aggregate principal amount of the LTGO Sewer Bonds, plus an original issue premium of \$46,817,273.20, less underwriter's discount of \$802,198.38.

The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the County and the Underwriters, (ii) in connection with this transaction, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the County, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the County with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter or any affiliate of any Underwriter has advised or is currently advising the County on other matters), (iv) the County has consulted with its own legal and financial advisors to the extent it has deemed appropriate in connection with the sale of the Bonds, and (v) the Underwriters have financial and other interests that differ from those of the County.

2. **Public Offering.** It is a condition to the County's obligation to sell and deliver the Bonds to the Underwriters that the entire \$721,850,000 aggregate principal amount of the Bonds will be purchased, accepted and paid for by the Underwriters at the Closing (as defined in Section 6), and it is a condition to the Underwriters' obligation to purchase, to accept delivery of and to pay for the Bonds that the entire \$721,850,000 aggregate principal amount of the Bonds will be issued, sold and delivered by the County at the Closing.

The Underwriters will make a bona fide initial public offering of all the Bonds, at prices no higher and yields no lower than those shown in the Official Statement. The Underwriters reserve the right to lower those initial offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or the prices set forth in the Official Statement. On or prior to the Closing, the Underwriters will provide the County with information regarding the reoffering prices to the public for purposes of determining the yield on the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Underwriters reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

3. **The Bonds; Bond Legislation.** The Bonds will be issued in accordance with chapters 35.58 and 36.67 of the Revised Code of Washington ("RCW"), as amended, chapters 39.46 and 39.53 RCW, as amended, the County Charter, and County Ordinance 17599,

passed on June 3, 2013, and as amended on January 12, 2015 (the "Bond Ordinance"), and a motion of the Metropolitan King County Council (the "County Council") approving this Purchase Contract and the issuance and sale of the Bonds passed on January 12, 2015 (the "Sale Motion"). Together, the Bond Ordinance and the Sale Motion are referred to in this Purchase Contract as the "Bond Legislation." The Bonds are being issued to refund certain bonds of the County payable from revenues of the County's sewer system (the "Refunded Bonds"), and pay costs of issuance of the Bonds, all as described in the Bond Legislation and the Official Statement (as defined herein).

#### 4. **Preliminary and Final Official Statements.**

(a) The County ratifies, approves and confirms the distribution by the Underwriters of the Preliminary Official Statement of the County dated January 6, 2015 (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the public offering and sale of the Bonds by the Underwriters prior to the availability of the Official Statement. The County represents and warrants that the Preliminary Official Statement furnished to the Underwriters was deemed final by the County as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of information permitted to be omitted by Rule 15c2-12.

(b) The County shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Purchase Contract (or within such shorter period as may be agreed by the County and the Representative or required by applicable rule), a final Official Statement, which shall be in the form of the Preliminary Official Statement with those changes reflecting the terms of this Purchase Contract and other changes as have been approved by the Representative (together with any appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing, the "Official Statement"). The County shall provide enough copies of the Official Statement to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB").

(c) The County authorizes the Representative to file, to the extent required by applicable SEC or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system ("EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Section 4(e) during the "primary offering disclosure period," and if required by applicable SEC or MSRB rule, the Representative will make the required submission of the amended Official Statement to EMMA.

(d) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the County and the Representative.

(e) During the period ending on the 25<sup>th</sup> day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the County and the Representative), the County (i) may not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) must notify the Representative promptly if any event occurs, or information comes to the attention of the County, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) 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. If, in the opinion of the Representative, the event requires the preparation and distribution of a supplement or amendment to the Official Statement, the County shall prepare and furnish to the Underwriters, at the County's expense, the number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the County and the Representative, as the Underwriters may reasonably request. If such notification is given after the Closing, the County also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(f) For purposes of this Purchase Contract: (i) the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and will occur on the later of (A) the Closing or (B) when the Underwriters no longer retain an unsold balance of the Bonds. Unless otherwise advised in writing by the Representative on or prior to the Closing, or otherwise agreed to by the County and the Representative, the County may assume that the End of the Underwriting Period is the date of the Closing, and (ii) the "primary offering disclosure period" is used as defined in MSRB Rule G-32 and ends on the 25<sup>th</sup> day after the Closing.

**5. Representations, Warranties, Covenants and Agreements of the County.** The County represents and warrants to and (as applicable) covenants and agrees with the Underwriters that, as of the date hereof:

(a) The County is a duly created and existing political subdivision of the State of Washington (the "State") and has all requisite legal right, power and authority (i) to enter into this Purchase 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 Purchase Contract, the Continuing Disclosure Undertakings dated as of the Closing (in the forms summarized in the Preliminary Official Statement and the Official Statement, together, the "Continuing Disclosure Undertaking"), and the Escrow Deposit Agreement dated as of the Closing (the "Escrow Agreement"), by and between the County and U.S. Bank National Association, as escrow agent (the "Escrow Agent"); (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 Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement. The execution, delivery and performance of this Purchase Contract, the Bonds, the Continuing Disclosure Undertaking and the Escrow Agreement, the passage of the Bond Legislation, and the issuance of the Bonds thereunder, the execution and delivery by the County of the Official Statement and the use and distribution by the Underwriters 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 Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) This Purchase Contract, the Continuing Disclosure Undertaking, 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 Purchase Contract constitutes, and the Bonds, when registered, issued, executed and delivered, and the Continuing Disclosure Undertaking, and the Escrow Agreement (assuming due execution and delivery thereof by the Escrow Agent), 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 may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases. The performance by the County of its obligations contained in this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, and the Escrow Agreement and the consummation by it of all transactions contemplated by this Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, 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 may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases. When delivered and paid for at the Closing, the Bonds will constitute valid, legally binding limited obligations of the County entitled to the benefits and security of, and subject only to the terms and conditions set forth in, the Bond Legislation and described in the Preliminary Official Statement and the Official Statement. The issuance of the Bonds is authorized by, and the Bonds when issued will be issued in compliance with, the provisions of the Bond Legislation.

(c) To the best knowledge of the Director of the Finance and Business Operations 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 subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(d) The passage of the Bond Legislation, the execution, delivery and performance of this Purchase Contract, the Continuing Disclosure Undertaking, and the Escrow Agreement, the issuance and sale of the Bonds and the consummation of the transactions contemplated by this Purchase Contract and by the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, 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.

(e) Except as described in the Preliminary Official Statement and the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (of either the State 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 Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, or the Escrow Agreement; (ii) the County's pledge under the Bond Legislation of the Revenue of the System and all money credited to the Parity Bond Fund; (iii) the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement; or (iv) 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 Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, 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 Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, the Escrow Agreement, or the Official Statement.

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

(g) As of the date thereof, the Preliminary Official Statement (except for information regarding The Depository Trust Company ("DTC") and its book-entry only system and the Underwriters) did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no representation is given with respect to the information under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix G—"Book-Entry System."

(h) As of the date of this Purchase Contract, the Official Statement (except for information DTC and its book-entry only system and the Underwriters) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no representation is given with respect to the information under the captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax Consequences," and "OTHER BOND INFORMATION — Underwriters of the Bonds" and in Appendix G—"Book-Entry System."

(i) If the Official Statement is supplemented or amended pursuant to Section 4(e) hereof, at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended (except for information regarding DTC and its book-entry only system and the Underwriters) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, no warranty is given with respect to the information under the captions “THE BONDS — Book-Entry System,” “LEGAL AND TAX INFORMATION — Tax Exemption” and “—Certain Other Federal Tax Consequences,” and “OTHER BOND INFORMATION — Underwriters of the Bonds” and in Appendix G — “Book-Entry System.”

(j) Except as described in the Preliminary Official Statement and 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 bonds, notes or other obligations for borrowed money the repayment of which is secured by a pledge of or lien on Revenue of the System or any material liabilities, direct or contingent, that will have a material adverse effect on the financial condition of the Sewer System, 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 Sewer System.

(k) The Preliminary Official Statement and the Official Statement describe accurately and completely any instances in the previous five years in which the County failed to comply in all material respects with any of its previous undertakings to provide annual reports and notices of specified events in accordance with Rule 15c2-12.

(l) Except as described in the Preliminary Official Statement and 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 Purchase Contract, the Bond Legislation, the Bonds, the Continuing Disclosure Undertaking, 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).

(m) The Underwriters may deem any certificate signed by any official of the County and delivered to the Representative as a representation and warranty by the County to the Underwriters as to the statements made therein.

(n) 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 Underwriters 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 Representative; 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 Purchase Contract,

the Bond Legislation, the Continuing Disclosure Undertaking, the Escrow Agreement, and the Official Statement by the Underwriters in obtaining such qualifications.

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

(p) The County will undertake, pursuant to the Continuing Disclosure Undertaking, to provide certain annual financial information and notices of the occurrence of certain events, pursuant to paragraph (b)(5) of Rule 15c2-12. An accurate description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and the Official Statement.

6. **Closing.** At 8:30 a.m., Pacific Time, on February 18, 2015, or at such other date or time as may be mutually agreed upon by the County and the Representative, the County will deliver or cause to be delivered (through DTC's FAST delivery system) to the Representative the Bonds duly executed by the County, together with the other documents described in Section 7(e), and the Representative will accept such delivery (through DTC's FAST delivery system) and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer, in an aggregate amount equal to that purchase price.

Payment for the Bonds as aforesaid and delivery of the documents described in Section 7(e) will be made at the offices of the County, in Seattle, Washington, or at such other place as may be mutually agreed upon by the County and the Representative. Such payment and delivery is herein called the "Closing." The Representative will order CUSIP identification numbers and the County will cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. The Bonds will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. Copies of the executed Bonds will be made available for checking by the Representative and its counsel not less than one business day prior to the Closing.

7. **Closing Conditions.** The obligations of the Underwriters hereunder are subject to the performance by the County of its obligations hereunder at or prior to the Closing and are also subject to the following conditions:

(a) The representations of the County contained in this Purchase Contract must be true, complete and correct at the date hereof and on and as of the date of Closing as if made on the date of Closing.



(b) At the time of the Closing, (i) the Bond Legislation and the Escrow Agreement must be in full force and effect, and must not have been amended, modified or supplemented since the date hereof, except as may be agreed to in writing by the Representative; and (ii) the County must perform or have performed its obligations required under or specified in this Purchase Contract, the Escrow Agreement, and the Bond Legislation to be performed at or prior to the Closing.

(c) At the time of the Closing, no material adverse change will have occurred in the business, operations or financial or physical condition of the Sewer System or the County.

(d) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Official Statement, the Escrow Agreement, the Bonds, and the Bond Legislation must be in full force and effect in accordance with their respective terms and such documents must not have been amended, modified or supplemented in any material respect from the date hereof except as the Representative has agreed to in writing.

(e) At or prior to the Closing, the Representative must receive the following documents, in each case satisfactory in form and substance to the Representative and to its counsel, K&L Gates LLP:

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

(2) A certificate of the County's Prosecuting Attorney in substantially the form attached hereto as Exhibit B;

(3) Copies of the Bond Ordinance and the Sale Motion, each certified by the Clerk of the County Council as having been duly passed by the County Council and as being in full force and effect, with such changes or amendments as may have been agreed to in writing by the Representative;

(4) The final approving legal opinions of Foster Pepper PLLC, Bond Counsel, dated the date of Closing, in substantially the forms attached to the Official Statement as Appendix B, together with a reliance letter addressed to the Underwriters;

(5) The supplemental opinion of Foster Pepper PLLC, Bond Counsel, addressed to the Underwriters and dated the date of Closing, in substantially the form attached hereto as Exhibit C, and a reliance letter addressed to the Underwriters with respect to any other opinions delivered by Bond Counsel in connection with the issuance of the Bonds;

(6) The opinions of Foster Pepper PLLC, Bond Counsel, dated the date of Closing, to the effect that the money and obligations set aside in the escrow deposit account pursuant to the Escrow Agreement to defease the Refunded Bonds are irrevocably set aside and pledged for such purpose, that the Refunded Bonds are legally defeased and deemed not to be outstanding under the ordinances pursuant to which they were issued, and that such defeasance will not cause interest on the Bonds or the Refunded Bonds to become included in gross income for federal tax purposes;

(7) An opinion of K&L Gates LLP, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and (ii) the Continuing Disclosure Undertaking, together with Section 5(p) of this Purchase Contract, satisfies the requirements contained in paragraph (b)(5) of Rule 15c2-12 for an undertaking for the benefit of the owners and beneficial owners of the Bonds to provide the information at the times and in the manner required by paragraph (b)(5) of Rule 15c2-12; in addition, such counsel shall state in its letter containing the foregoing opinions that, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement and makes no representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as Underwriters' counsel, to assist the Underwriters as part of their responsibilities with respect to the Preliminary Official Statement and the Official Statement, such counsel participated in conferences with representatives of the Underwriters and the County, the County's counsel and Financial Advisor, Bond Counsel, and others, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and based on such counsel's participation in such conferences and in reliance thereon and on the records, documents, certificates, opinions and matters set forth in such counsel's opinion, and as a matter of fact and not opinion, during the course of such counsel's representation of the Underwriters, no facts came to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriters in connection with the Preliminary Official Statement or the Official Statement that caused such counsel to believe that the Preliminary Official Statement or the Official Statement, as of their dates (except for any CUSIP numbers, financial, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained therein, and information regarding environmental matters, litigation, tax exemption, and DTC and its book-entry only system, and except for the appendices thereto, as to which such counsel need express no opinion or view), contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that such opinion and representation may not be used, circulated, quoted or otherwise referred to or relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed;

(8) A certificate of the County, executed by the Finance Director or other authorized representative of the County, dated as of the Closing, to the effect that (A) the representations and warranties of the County contained in this Purchase 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 the Finance Director (or other authorized representative), as of the date of this Purchase Contract and as of the Closing, the Official Statement was and is true and complete in all material respects and did not 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 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 captions "THE BONDS — Book-Entry System," "LEGAL AND TAX INFORMATION — Tax Exemption" and "—Certain Other Federal Tax

Consequences,” and “OTHER BOND INFORMATION — Underwriters of the Bonds” and in Appendix G—“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 of the County for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System; (D) all payments into all funds or accounts created and established for the payment and security of all outstanding obligations of the County for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System have been made in full and the amounts on deposit in such funds or accounts are the amounts then required to be deposited therein; (E) to the best knowledge of the Finance Director (or other authorized representative), the County has never defaulted in the payment of principal of or interest on any of its obligations for borrowed money payable from and secured by a pledge of and lien on the Revenue of the System; and (F) the County has complied in all material respects with all agreements and satisfied in all material respects all conditions contemplated by this Purchase 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;

(9) An incumbency certificate of the Escrow Agent;

(10) A Blue Sky Memorandum prepared by counsel to the Underwriters and addressed to the Underwriters;

(11) A written report prepared by Causey Demgen & Moore P.C. verifying the accuracy of certain mathematical computations with respect to the refunding of the Refunded Bonds;

(12) A tax certificate and IRS Form 8038-G in form satisfactory to Bond Counsel and duly executed by the County;

(13) The Letter of Representations, executed by the County and accepted by DTC;

(14) A complete transcript of all proceedings relating to the authorization and issuance of the Bonds;

(15) Evidence satisfactory to the Representative that Moody’s Investors Service and Standard & Poor’s Ratings Services have assigned ratings of “Aa2” and “AA+,” respectively, to the Sewer Revenue Bonds; and

(16) Evidence satisfactory to the Representative that Moody’s Investors Service and Standard & Poor’s Ratings Services have assigned ratings of “Aa1” and “AAA,” respectively, to the LTGO Sewer Bonds; and

(17) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of the County contained in Section 5 of this Purchase Contract and the due performance or satisfaction by the County at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the County pursuant to this Purchase Contract.

8. **Termination.** The Representative may terminate this Purchase Contract, without liability therefor, by notice to the County if at any time after the date of this Purchase Contract and at or prior to the Closing, in the Representative's sole and reasonable judgment, any of the following events occurs (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, are materially adversely affected by any of the following events:

(i) legislation is enacted by the Congress of the United States or the legislature of the State or is favorably reported out of committee of either body or pending in committee of either body, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision is rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement is made or proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(ii) there occurs (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or a payment default on United States Treasury obligations, or (4) a default with respect to the debt obligations of any state of the United States; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading are fixed and in force, or maximum ranges for prices for securities are required and in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation is enacted by the Congress of the United States or is favorably reported out of committee or pending in committee, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States is rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter is made, to the effect that any obligations of the general character of the Bonds or the Bond Legislation, or any comparable obligations of the County, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change occurs in the financial affairs of the System or the County; or

(vi) any rating of bonds, notes or other obligations of the County (including, without limitation, either series of the Bonds) is downgraded, suspended or withdrawn, or a negative credit watch is publicly announced, by Moody's Investors Service or Standard & Poor's Ratings Services; or

(b) any event or circumstance exists that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the County refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium is declared by federal or State authorities having jurisdiction and is in force; or

(d) a material disruption occurs in securities settlement, payment or clearance services affecting the Bonds; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters is established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States is rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter is issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing, including the Securities Act, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Purchase Contract by the Representative, all obligations of the County and the Underwriters under this Purchase Contract shall terminate, without further liability, except that the County and the Underwriters shall pay their respective expenses as set forth in Section 9.

9. **Expenses.** The Underwriters are under no obligation to pay and the County will pay or cause to be paid the expenses incident to the performance of the County's obligations hereunder including but not limited to (a) the cost of preparing the Bond Legislation; (b) the fees and disbursements of Foster Pepper PLLC, the Escrow Agent, the Verification Agent, the Financial Advisor, and any other experts or consultants retained by the County; (c) the costs of preparing, printing and signing the Bonds and the cost of registration of the Bonds; (d) the cost

of preparing and printing the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; (e) charges of rating agencies for the ratings of the Bonds; and (f) expenses (included in the expense component of the spread) incurred on behalf of County employees that are incidental to implementing this Purchase Contract, including without limitation meals, transportation and lodging. The Underwriters shall pay (1) the cost of preparing any Blue Sky and legal investment memoranda to be used by them, (2) all advertising expenses incurred by them in connection with the public offering of the Bonds, (3) the fees and disbursements of K&L Gates LLP, counsel to the Underwriters, and (4) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

10. **Representations, Warranties and Agreements of Underwriters.** The Underwriters represent and warrant to and agree with the County that the Underwriters are authorized to take any action under this Purchase Contract required to be taken by the Underwriters. The Underwriters represents that they are duly organized, validly existing and in good standing under the laws of the jurisdictions of their organization and are licensed by and registered with the Financial Industry Regulatory Authority as broker-dealers and with the MSRB as municipal bond dealers.

11. **Indemnification.** To the extent permitted by law, the County shall indemnify and hold harmless the Underwriters, each of their respective partners, members, officers and employees and each person who controls any 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) a 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 Purchase 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.

12. **Notices.** Any notice or other communication to be given to the County under this Purchase Contract (other than the acceptance hereof as specified in Section 1 hereof) may be given by delivering the same in writing to the Finance Director, King County Department of Finance, 500 Fourth Avenue ADM-FI-0611, Seattle, Washington 98104; any notice or other communication to be given to the Representative or the Underwriters under this Purchase Contract may be given by delivering the same in writing to J.P. Morgan Securities LLC, Investment Banking, 1301 Second Avenue, 24th Floor, Seattle, Washington 98101, Attention: Isaac Sine, Executive Director.

13. **Governing Law.** The validity, interpretation and performance of this Purchase Contract are governed by the laws of the State.

14. **Parties in Interest.** This Purchase Contract, when accepted by the County in writing as heretofore specified, shall constitute the entire agreement between the County and the Underwriters and is solely for the benefit of the County and the Underwriters (including the successors and assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the County in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Contract.

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

16. **Headings.** The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

17. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together will constitute one and the same instrument.

J.P. MORGAN SECURITIES LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
Executive Director

Accepted by the Director of Finance and Business  
Operations Division, Department of Executive  
Services, on January 12, 2015, at \_\_\_\_\_ p.m.

KING COUNTY, WASHINGTON

By: \_\_\_\_\_  
Director of Finance and Business Operations  
Division, Department of Executive Services

**EXHIBIT A**

**\$474,025,000**  
**KING COUNTY, WASHINGTON**  
**SEWER REVENUE REFUNDING BONDS, 2015, SERIES A**

*True Interest Cost. 3.7406610%*

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Reoffering Yield</u>
Serial Bonds:			
7/1/2016	\$ 835,000	3.000%	0.390%
7/1/2017	865,000	4.000	0.700
7/1/2018	905,000	5.000	0.980
7/1/2019	945,000	3.000	1.280
7/1/2020	2,740,000	5.000	1.480
7/1/2021	1,035,000	4.000	1.670
7/1/2022	2,965,000	3.000	1.870
7/1/2023	3,085,000	5.000	1.980
7/1/2024	3,245,000	5.000	2.080
7/1/2025	3,410,000	5.000	2.190*
7/1/2026	3,580,000	5.000	2.270*
7/1/2027	3,770,000	5.000	2.370*
7/1/2028	3,955,000	5.000	2.430*
7/1/2029	4,020,000	5.000	2.500*
7/1/2030	5,515,000	5.000	2.550*
7/1/2031	5,740,000	5.000	2.600*
7/1/2032	8,160,000	5.000	2.650*
7/1/2033	9,055,000	5.000	2.710*
7/1/2034	9,535,000	5.000	2.760*
7/1/2036	19,325,000	5.000	2.860*
7/1/2038	34,300,000	5.000	2.900*
	126,985,000		
Bifurcated Serial Bond:			
7/1/2029	140,000	3.000	3.020
	140,000		
Bifurcated Serial Bonds:			
7/1/2035	9,985,000	4.000	3.220*
7/1/2036	12,000,000	4.000	3.260*
7/1/2037	32,750,000	4.000	3.300*
	54,735,000		



2040 Term Bond:			
7/1/2039	10,100,000	3.500	3.510
7/1/2040	10,100,000	3.500	3.510
	20,200,000		
2040 Term Bond:			
7/1/2039	25,855,000	5.000	2.960*
7/1/2040	27,520,000	5.000	2.960*
	53,375,000		
2045 Term Bond:			
7/1/2041	39,125,000	4.000	3.420*
7/1/2042	28,035,000	4.000	3.420*
7/1/2043	29,015,000	4.000	3.420*
7/1/2044	30,140,000	4.000	3.420*
7/1/2045	31,310,000	4.000	3.420*
	157,625,000		
2047 Term Bond:			
7/1/2046	32,690,000	5.000	3.070*
7/1/2047	28,275,000	5.000	3.070*
	60,965,000		
	<u>\$ 474,025,000</u>		

\* Priced to par call date of 01/01/2025.

*Redemption.* The Bonds are subject to redemption as provided in the Sale Motion.

**\$247,825,000**  
**KING COUNTY, WASHINGTON**  
**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS**  
**(PAYABLE FROM SEWER REVENUES), 2015, SERIES A**

*True Interest Cost.* 3.2433861%

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Reoffering Yield</u>
Serial Bonds:			
7/1/2016	\$ 100,000	2.000%	0.360%
7/1/2017	105,000	3.000	0.670
7/1/2018	110,000	4.000	0.950
7/1/2019	115,000	4.000	1.250
7/1/2020	7,520,000	5.000	1.450
7/1/2021	7,810,000	5.000	1.640
7/1/2022	7,830,000	5.000	1.840
7/1/2023	9,070,000	5.000	1.950
7/1/2024	9,380,000	5.000	2.030
7/1/2025	10,210,000	5.000	2.130*
7/1/2026	10,745,000	5.000	2.220*
7/1/2027	11,315,000	5.000	2.340*
7/1/2028	11,905,000	5.000	2.390*
7/1/2029	12,530,000	5.000	2.470*
7/1/2030	13,195,000	5.000	2.530*
7/1/2031	13,890,000	5.000	2.580*
7/1/2032	14,625,000	5.000	2.630*
7/1/2033	15,390,000	5.000	2.680*
7/1/2034	16,200,000	5.000	2.730*
7/1/2035	17,055,000	5.000	2.770*
7/1/2036	17,965,000	5.000	2.810*
	207,065,000		
Bifurcated Serial Bonds:			
7/1/2020	410,000	4.000	1.450
7/1/2021	525,000	3.000	1.640
7/1/2022	935,000	4.000	1.840
7/1/2023	150,000	3.000	1.950
7/1/2024	325,000	4.000	2.030
7/1/2037	18,810,000	4.000	3.250*
7/1/2038	19,605,000	4.000	3.270*
	40,760,000		
	\$ 247,825,000		

\* Priced to par call date of 01/01/2025.

*Redemption.* The Bonds are subject to redemption as provided in the Sale Motion.

**EXHIBIT B**

**Certificate of the King 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 Sewer Revenue Refunding Bonds, 2015, Series A, in the aggregate principal amount of \$474,025,000 (the "Sewer Revenue Bonds"), and the County's Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 2015, Series A, in the aggregate principal amount of \$247,825,000 (the "LTGO Sewer Bonds," and together with the Sewer Revenue Bonds, 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 collection of revenues or 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 January 12, 2015, under the captions "LEGAL AND TAX INFORMATION — Litigation" and "—Other Non-Tort Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of that litigation, and are true and correct.

DATED: [Date of Closing], at \_\_\_\_\_ a.m.

For DAN SATTERBERG,  
King County Prosecuting Attorney

By: \_\_\_\_\_

Kevin Wright  
Chief Civil Deputy

**EXHIBIT C**

[Letterhead of Foster Pepper PLLC]

[Date of Closing]

King County, Washington

J.P. Morgan Securities LLC  
Seattle, Washington

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Seattle, Washington

Siebert Brandford & Shank Co., L.L.C.  
Seattle, Washington

Re: King County, Washington, Sewer Revenue Refunding Bonds, 2015, Series A, and Limited Tax General Obligation Refunding Bonds (Payable From Sewer Revenues), 2015, Series A

We have served as bond counsel to King County, Washington (the "County"), in connection with the issuance of the above-referenced bonds (the "Bonds"). This letter is delivered to pursuant to Section 7(e)(5) of the Bond Purchase Contract dated January 12, 2015 (the "Purchase Contract"), between the County and J.P. Morgan Securities LLC, on behalf of itself and as representative of the underwriters named therein (together, the "Underwriters").

In connection with the issuance of the Bonds, we have examined a certified transcript of proceedings had by the County relating to the issuance of the Bonds, including Ordinance 17599 passed on June 3, 2013 and amended on January 12, 2015, and Motion \_\_\_\_\_ passed on January 12, 2015 (together, the "Bond Legislation"), and such other documents as we have deemed necessary to deliver this letter. As to matters of fact material to this letter, we have relied upon representations contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Reference is made to the Purchase Contract for the definitions of capitalized terms used and not otherwise defined herein.

Based upon the foregoing, as of the date hereof, it is our opinion that under existing law:

1. The County has all requisite right, power and authority to execute and deliver the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, to perform its obligations thereunder and to carry out the transactions contemplated thereby.

2. The County has duly passed the Bond Legislation and has duly authorized, executed and delivered the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the Bond Legislation, Purchase Contract, Escrow Agreement, and Continuing Disclosure Undertaking constitute legal, valid and binding obligations of the County enforceable in accordance with their terms except to the extent that the enforceability may be

limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases.

3. The County has duly authorized the Finance Director to deem the Preliminary Official Statement final in accordance with Rule 15c2-12 and to approve and execute the Official Statement.

4. The Bonds are entitled to the benefits and security provided by the Bond Legislation.

5. The Bond Legislation creates the valid pledges of and liens on Revenue of the System that it purports to create.

6. No consent or approval of, or registration or filing with, any commission, board, authority, body or instrumentality of the State is or was required in connection with any of the actions of the County taken in regard to the approval of the Bonds, except those consents, approvals, registrations or filings that have been obtained on or prior to this date, nor is any election or referendum of voters required in connection therewith; provided, however, that no opinion is provided with respect to compliance with any Blue Sky laws.

7. The Bonds and their offer and sale are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Bond Legislation is exempt from qualification under the Trust Indenture Act of 1939, as amended.

8. To the best of our knowledge, the execution and delivery by the County of the Bonds, the Purchase Contract, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the passage by the County of the Bond Legislation and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a material breach of or default under any State constitutional provision, State law applicable to the County, or bond ordinance of the County.

9. The statements contained in the Official Statement (except for information regarding DTC and its book-entry only system) under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVES AND REFERENDA," "LEGAL AND TAX INFORMATION—Limitations on Remedies and Municipal Bankruptcy," "—Tax Exemption," and "—Certain Other Federal Tax Consequences," and "CONTINUING DISCLOSURE UNDERTAKING," and in Appendix A—"Summary of Bond Ordinance," and Appendix B—"Forms of Bond Counsel Opinions," insofar as such statements purport to summarize provisions of the Bonds, the Continuing Disclosure Undertaking, and the Bond Legislation and to describe the treatment of interest on the Bonds under federal income tax laws, present a fair and accurate summary of such provisions, and the statements of law and legal conclusions stated therein are correct.

10. Although we have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement (except to the extent expressly set forth in paragraph 9 above), and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements (except to the extent expressly set forth in paragraph 9 above), based on our

participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and without making inquiry of other attorneys in our firm not working directly on the issuance of the Bonds who may have information material to the issue, as a matter of fact and not opinion, during the course of such representation no facts came to the attention of the attorneys in the firm rendering legal services in connection with such representation that caused them to believe that the Preliminary Official Statement (except for the omission of information permitted to be omitted by Rule 15c2-12) or the Official Statement as of their dates (except for any financial, engineering or statistical data or forecasts, numbers, estimates, assumptions or expressions of opinion included therein and information regarding DTC and its book-entry only system and except for Appendices C, D, E, F and G thereof) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We consent to references to our firm contained in the Preliminary Official Statement and the Official Statement.

This letter is delivered on the date hereof, and we assume no obligation to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

We are members of the bar of the State of Washington. This letter is limited to matters involving the federal laws of the United States (subject to current interpretations, if any, of the United States Supreme Court and the United States Court of Appeals for the Ninth Circuit) and the laws of the State of Washington, and we do not express any opinion as to the laws of any other jurisdictions.

No attorney-client relationship has existed or exists between our firm and the Underwriters in connection with the Bonds or by virtue of this letter.

We bring to your attention the fact that this letter is an expression of our professional judgment on the matters expressly addressed and does not constitute a guarantee of result.

This letter is being delivered solely to the addressees hereof in connection with the issuance of the Bonds and may not be relied on by any addressee hereof for any other purpose or by any other person for any purpose without our prior written consent.