

12054 ATTACHMENT A

December 6, 2004

King County Council
516 Third Avenue
Seattle, WA 98104

Re: King County, Washington, \$13,195,000 Limited Tax General Obligation Refunding Bonds (Baseball Stadium), 2004, Series C (Taxable), and \$32,075,000 Limited Tax General Obligation Refunding Bonds (Baseball Stadium), 2004, Series D

Honorable Council Members:

Citigroup Global Markets Inc. (the "Underwriter") offers to purchase from King County, Washington ("County"), all the above-described bonds (collectively, the "Bonds"), on the terms and based upon the covenants, representations and warranties set forth below. Appendix A, which is incorporated into this Bond Purchase Agreement (the "Agreement") by reference, contains a brief description of the Bonds, including principal amounts, maturities, interest rates, purchase price, and the proposed date and place of delivery and payment (the "Closing"). All capitalized terms used below shall have the respective meanings set forth in the Bond Ordinance (as defined below) unless otherwise defined herein.

Other provisions of this Agreement are as follows:

1. Prior to the Closing, the County Council will adopt a motion supplementing Ordinance 14813 authorizing the Bonds (the motion together with Ordinance 14813 are collectively referred to below as the "Bond Ordinance"). The Underwriter is authorized by the County to use the Bond Ordinance and the Preliminary Official Statement dated November 30, 2004 (the "Preliminary Official Statement"), and the information contained in them in connection with the public offering of the Bonds and the Final Official Statement in connection with the sale and delivery of the Bonds.
2. The County, to the best of its knowledge, represents and covenants to the Underwriter that:

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- (a) it has and will have at the Closing the power and authority to enter into and perform this Agreement, to pass the Bond Ordinance and to deliver and sell the Bonds to the Underwriter;
- (b) this Agreement and the Bonds do not and will not conflict with, or constitute or create a breach or default under, any existing law, regulation, order or agreement to which the County is subject;
- (c) no governmental approval or authorization other than the Bond Ordinance which has not been obtained, or will not be obtained prior to Closing, is required in connection with the sale of the Bonds to the Underwriter;
- (d) the Preliminary Official Statement with corrections, if any, noted by the County and its counsel, as of its date and (except as to matters corrected or added in the Final Official Statement) as of the Closing, is accurate and complete in all material respects to the knowledge and belief of the officers and employees of the County, after due review;
- (e) the County has previously provided the Underwriter with a copy of its Preliminary Official Statement. As of its date, the Preliminary Official Statement has been "deemed final" by the County for purposes of Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(1);
- (f) the County agrees to deliver or cause to be delivered, within seven business days after any final agreement to purchase, offer, or sell the securities and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, a sufficient number of copies of a Final Official Statement in sufficient quantity so that the Underwriter may comply with paragraph (b)(4) of the S.E.C. Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Underwriter agrees to deliver three copies of the Final Official Statement to a nationally recognized municipal securities information repository on the business day on which the Final Official Statement is available, and in any event no later than seven business days after the date hereof;
- (g) the Bond Ordinance constitutes the County's written agreement or contract constituting the "Undertaking" to provide ongoing disclosure about the County for the benefit of the owners of the Bonds on or before the Closing as required by paragraph (b)(5)(i) of the SEC Rule 15c2-12(b)(5) (the "Rule"), and in the form as

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summarized by the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter;

- (h) if, at any time prior to the Closing, any event occurs as a result of which the Preliminary Official Statement or the Final Official Statement includes an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriter thereof; and
 - (i) the County has never failed to comply with any continuing disclosure undertaking made with respect to the Rule.
3. The Underwriter shall have the right to terminate this Agreement to purchase the Bonds by notifying the County of its election to do so if, after the execution of this Agreement 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 or adversely affected by (i) an amendment to the Constitution of the United States of America or by any legislation which shall have been introduced in or enacted by the Congress of the United States, or (ii) legislation pending in the Congress of the United States shall have been amended, or (iii) legislation (including any amendment thereto, whether or not in formal bill form) shall have been 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) shall have been proposed that may have an effective date prior to the Closing for consideration by either such Committee, 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 shall have been 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, or (vi) a decision by a court of the United States or the Tax Court of the United States shall be rendered, or (vii) a ruling, regulation or official

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statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made, with respect to federal taxation of revenues or other income of the general character expected to be derived by the County (or upon interest received on securities of the general character of the Bonds) or which would have the effect of changing, 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 Washington shall be rendered, which, in the Underwriter's reasonable 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 reasonable opinion, the subject matter of any amendment or supplement to the Final 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) there shall have occurred any outbreak or escalation of existing 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 materially adversely affect the market for the Bonds or the sale of the Bonds by the Underwriter at the initial offering prices set forth in the Final Official Statement;
- (e) there shall have occurred and be in effect a general suspension of trading on the New York Stock Exchange;
- (f) a general banking moratorium shall have been declared by United States, New York State or Washington State authorities;
- (g) legislation shall hereafter be enacted, or actively considered for enactment, with an effective date prior to the date of the delivery of the Bonds, or a decision by a court of the United States shall hereafter be rendered, or a ruling or regulation by

the S.E.C. or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is that:

- (1) the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect, or
 - (2) the Bond Ordinance is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;
- (h) a stop order, ruling or regulation by the S.E.C. shall hereafter be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the Final Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, and which, in the reasonable judgment of the Underwriter, adversely affects the marketability of the Bonds or the market price thereof;
- (i) establishment by any governmental authority having jurisdiction of the subject matter of any restriction binding upon the Underwriter which has a material and adverse effect on the free market for "municipal securities," as defined in the Securities Exchange Act of 1934, as amended;
- (j) legislative or regulatory action shall be taken by, or on behalf of, the U.S. Treasury Department that renders the proposed revisions to Circular 230 applicable to the Bonds, resulting in a material change in the forms of opinion of Bond Counsel from that included as Appendix A to the Final Official Statement; or
- (k) The New York Stock Exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force or being enforced, or increase materially those now in force, with respect to the extension of credit by, or the charges to the net capital requirements of, the Underwriter.

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4. The Underwriter's obligations hereunder are also subject to the following conditions:
- (a) at or prior to the Closing, the County will deliver, make available to the Underwriter, or have adopted:
 - (1) the Bonds, in definitive form and duly executed;
 - (2) a certificate from an authorized officer of the County, in form and substance acceptable to the County and the Underwriter, stating that execution of the certificate shall constitute execution of the Final Official Statement by the County, that the Final Official Statement attached thereto, to the knowledge and belief of such officer, after due review, does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that the representations of the County contained in this Agreement were true and correct when made and are true and correct as of the Closing;
 - (3) the approving opinions of Bond Counsel dated the date of Closing, substantially in the form of Appendix A to the Official Statement, with a reliance opinion addressed to the Underwriter;
 - (4) an opinion of Bond Counsel, dated the date of Closing and addressed to the Underwriter, to the effect that (a) the County has the legal right, power and authority to enter into the Agreement and to carry out its obligations hereunder; (b) the County has the legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the terms of the Agreement; (c) the Agreement has been duly executed and delivered by the County and, assuming due execution and delivery thereof by the Underwriter, the Agreement constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, and no authorization or approval is required for the execution and delivery thereof of the performance of the County's obligations thereunder, except such authorizations or approvals as have been obtained on or prior to this date; (d) the County is duly authorized to approve and execute the Final 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

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actions of the County taken in regard to the approval and issuance of the Bonds; (f) the Bonds and their offer and sale are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended and (g) the statements contained in the Final Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "PROPERTY TAX INFORMATION" (except for the information in the last paragraph of the subsection entitled "(i) *Maximum rate limitations*"), "INITIATIVE AND REFERENDUM" and "LEGAL AND TAX INFORMATION" (except under the caption "Litigation"), insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Ordinance and applicable law, are true and correct, and that based solely on their participating as Bond Counsel in certain conferences with representatives of the County, the Underwriter and the financial advisors to the County during which conferences the contents of the Final Official Statement and related matters were discussed and without having undertaken to determine independently the accuracy and completeness of the statements contained in the Final Official Statement, no facts came to the attention of the attorneys of such counsel rendering legal services in connection with such representation that caused such counsel to believe that as of its date the Final Official Statement 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 opinion need be expressed with respect to information under the captions entitled "THE BONDS—Book-Entry System," and "APPENDIX E—Book-Entry System," nor need any opinion be expressed with respect to any financial, demographic and statistical data and projections included in the Final Official Statement. Such opinion may be subject to laws relating to bankruptcy, insolvency, reorganization or moratorium by other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with principles of equity, and counsel may rely, without investigation, upon the following assumptions: (i) the County will not in the future take any discretionary action (including a decision not to act) permitted under the Bond Ordinance that would result in the violation of law or constitute a break or default under any other agreement or court order; and (ii) all parties to the transaction will act in accordance with, and

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will refrain from taking any action that is forbidden by, the terms and conditions of the Bond Ordinance.

- (5) an opinion of counsel to the Underwriter dated the date of closing and addressed solely to the Underwriter, to the effect that: (a) the offer and sale of the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"); (b) the Bond Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended; (c) the undertakings of the County to provide continuing disclosure, which are contained in the Bond Ordinance, provide a suitable basis for the Underwriter to reasonably determine, pursuant to the Rule, that the County has undertaken, in a written agreement or contract for the benefit of the holders of the Bonds, to provide the annual financial information and notices required by the Rule; and (d) the Agreement has been duly authorized, executed and delivered by the Underwriter and constitutes a valid and binding agreement enforceable in accordance with its terms, except as such enforceability may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State of Washington and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. In rendering such opinions, counsel to the Underwriter may rely upon the approving opinion of Preston Gates & Ellis LLP, to the extent that such opinion addresses the validity of the Bonds and the governmental status of the County;
- (6) written evidence that Moody's Investors Service, Inc., and Standard & Poor's Ratings Group have issued underlying ratings on the Bonds of "Aa1" and "AA+" respectively, and that such ratings are in full force and effect on and as of the Closing;
- (7) A certificate of a County Prosecuting Attorney, dated the date of the Closing, based on such inquiry and investigation as he or she has deemed sufficient, to the effect that, (1) there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the levy and collection of the 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

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their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds, when due; and (2) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

- (8) the following documents executed by authorized officers of the County:
- (a) a certificate, dated the date of Closing, to the effect that no litigation or other proceedings are pending or threatened in any way affecting the issuance, sale or delivery of, or security for, any of the Bonds;
 - (b) a certificate setting forth the facts, estimates and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Series D Bonds will be used in a manner that could cause the Series D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and any applicable regulations thereunder;
 - (c) a certificate from Grant Thornton, 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 Acquired Obligations to pay, when due, the principal of and interest on the Refunded Bonds; and
 - (d) such additional certificates, instruments or opinions or other evidence as the Underwriter may deem reasonably necessary or desirable to evidence the due authorization, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the County's representations and warranties, and the conformity of the Bonds and Bond Ordinance with the terms thereof as summarized in the Final Official Statement, and to cover such other matters as it reasonably requests.

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5. County will pay the cost of preparing, printing and executing the Bonds, the fees and disbursements of Bond Counsel and the County's Financial Advisor, bond registration, rating fees and expenses, the cost of printing and distributing the Preliminary and Final Official Statements, travel and lodging expenses of County's employees and representatives, and other expenses of County.

Underwriter will pay fees and disbursements of Underwriter's counsel, the cost of preparation and filing of blue sky and legal investment surveys where necessary, Underwriter's travel expenses, and other expenses of Underwriter.

6. This Agreement is intended to benefit only the parties hereto, and County's representations and warranties shall survive any investigation made by or for the purchase, delivery and payment for the Bonds, and the termination of this Agreement. Should the County fail to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reasons permitted under this Agreement, then neither the Underwriter nor the County shall have any further obligations under this Agreement, except that any expenses incurred shall be borne in accordance with Section 5.
7. This offer expires on the date, and at the time, set forth on Appendix A.

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Respectfully submitted,

Citigroup Global Markets Inc.

By: _____
Jerry Bobo, Director

Accepted December 6, 2004.

King County, Washington

Title: _____

APPENDIX A

DESCRIPTION OF THE SERIES C (TAXABLE) BONDS

- (a) Purchase Price: \$13,141,937.25 (includes an Underwriter's Discount of \$53,062.75).
- (b) Dated: Date of initial delivery, expected to be December 21, 2004.
- (c) Denominations: \$5,000.00, or integral multiples thereof.
- (d) Form: Fully registered.
- (e) Interest Payment Dates: June 1 and December 1, commencing June 1, 2005. Interest calculated on a 30/360-day, 12-month year basis.
- (f) Maturity Schedule: The Bonds shall mature on December 1 and bear interest as follows:

<u>Due December 1</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Prices</u>
2005	\$1,670,000	2.92%	100%
2006	1,620,000	3.27	100
2007	1,595,000	3.56	100
2008	1,575,000	3.90	100
2009	3,010,000	4.14	100
2010	3,135,000	4.32	100
2011	590,000	4.49	100

- (g) Redemption: *Optional Redemption*. The Bonds are not subject to optional redemption prior to maturity.
- (h) Closing Date and Delivery: It is expected that the Bonds will be delivered to DTC in definitive book-entry form on or about December 21, 2004.
- (i) Offer Expires: 5:00 p.m. Pacific Time, December 6, 2004.
- (j) Bond Counsel: Preston Gates & Ellis LLP, Seattle, Washington

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DESCRIPTION OF THE SERIES D BONDS

- (k) Purchase Price: \$34,647,445.82 (includes an Underwriter's Discount of \$131,631.98 and an Original Issue Premium of \$2,704,077.80).
- (l) Dated: Date of initial delivery, expected to be December 21, 2004.
- (m) Denominations: \$5,000.00, or integral multiples thereof.
- (n) Form: Fully registered.
- (o) Interest Payment Dates: June 1 and December 1, commencing June 1, 2005. Interest calculated on a 30/360-day, 12-month year basis.
- (p) Maturity Schedule: The Bonds shall mature on December 1 and bear interest as follows:

<u>Due December 1</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Prices</u>
2005	\$ 1,945,000	3.00%	100.789%
2006	1,450,000	3.00	101.322
2007	970,000	3.00	101.523
2008	420,000	3.00	101.114
2009	--	--	--
2010	23,385,000	5.00	109.671
2011	3,905,000	5.00	109.950

- (q) Redemption: *Optional Redemption*. The Bonds are not subject to optional redemption prior to maturity.
- (r) Closing Date and Delivery: It is expected that the Bonds will be delivered to DTC in definitive book-entry form on or about December 21, 2004.
- (s) Offer Expires: 5:00 p.m. Pacific Time, December 6, 2004.
- (t) Bond Counsel: Preston Gates & Ellis LLP, Seattle, Washington