



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 26, 2012

Motion 13649

Proposed No. 2012-0117.2

Sponsors McDermott

1 A MOTION of the county council approving a purchase
2 contract for the county's Sewer Revenue and Refunding
3 Bonds, 2012, in the aggregate principal amount of
4 \$104,445,000 and establishing certain terms of such bonds,
5 approving a purchase contract for the county's Limited Tax
6 General Obligation Refunding Bonds (Payable from Sewer
7 Revenues), 2012, in the aggregate principal amount of
8 \$68,395,000 and establishing certain terms of such bonds,
9 and approving a plan of refunding from proceeds of the two
10 series of bonds, all in accordance with Ordinance 17111.

11 WHEREAS, the county council by Ordinance 17111 passed on June 20, 2011 (the
12 "Bond Ordinance"), authorized the issuance and sale of bonds of the county payable from
13 sewer revenues, as follows: (i) \$300,000,000 aggregate principal amount of bonds to pay
14 costs of certain capital improvements to the county's sewer system (the "System") in
15 accordance with the county's comprehensive water pollution abatement plan (the "Project
16 Bonds"), and (ii) not to exceed \$1,200,000,000 aggregate principal amount of bonds to
17 refund certain outstanding bonds payable from sewer revenues (the "Refunding Bonds"),
18 and

19 WHEREAS, the Bond Ordinance authorizes such bonds to be sold in one or more
20 series, as Parity Bonds or Parity Lien Obligations (as such terms are defined in the Bond
21 Ordinance), as Tax-Exempt Bonds, Tax-Benefited Bonds or otherwise, and by negotiated
22 sale or competitive bid, as determined by the county's director of finance and business
23 operations division (the "Finance Director") in consultation with the county's financial
24 advisors, and

25 WHEREAS, the county issued and sold Project Bonds in the principal amount of
26 \$70,000,000 as part of its Sewer Revenue and Refunding Bonds, 2011 Series B, dated
27 October 5, 2011, and

28 WHEREAS, the county issued and sold Refunding Bonds in the principal amount
29 of \$424,270,000 as part of its Sewer Revenue and Refunding Bonds, 2011 Series B, dated
30 October 5, 2011, and

31 WHEREAS, the county issued and sold Refunding Bonds in the principal amount
32 of \$32,445,000 as part of its Sewer Revenue Refunding Bonds, 2011 Series C, dated
33 November 1, 2011, and

34 WHEREAS, the Finance Director has determined that \$80,000,000 principal
35 amount of Project Bonds (the "Project Bonds") and \$24,445,000 principal amount of
36 Refunding Bonds (the "Refunding Bonds") be sold in a series of Parity Bonds in the
37 aggregate principal amount of \$104,445,000, to be designated as the county's Sewer
38 Revenue and Refunding Bonds, 2012 (the "Sewer Revenue Bonds"), and that additional
39 Refunding Bonds be sold in a series of Parity Lien Obligations in the aggregate principal
40 amount of \$68,395,000 to be designated as the county's Limited Tax General Obligation

41 Refunding Bonds (Payable from Sewer Revenues), 2012 (the "LTGO Sewer Bonds," and
42 together with the Sewer Revenue Bonds, the "Bonds"), all structured as Tax-Exempt
43 Bonds, by negotiated sale, and

44 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement
45 dated March 19, 2012, has been prepared for the sale of the Bonds, and the Finance
46 Director has negotiated the sale of both series of the Bonds to J.P. Morgan Securities
47 LLC as representative of itself and other underwriters named in the attached bond
48 purchase contracts (the "Underwriters"), and

49 WHEREAS, it is in the best interest of the county that the Bonds be sold to the
50 Underwriters on the terms set forth in the attached bond purchase contracts, the Bond
51 Ordinance, and this motion, and

52 WHEREAS, in accordance with the Bond Ordinance, the council wishes to ratify
53 and confirm certain terms of the Bonds and approve a plan of refunding certain
54 outstanding sewer revenue bonds of the county from proceeds of the two series of
55 Refunding Bonds, as set forth herein;

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

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

59 B. Approval of the Bond Purchase Contracts and Authorization of Bonds.
60 The issuance of the Bonds, designated as set forth in the recitals of this motion, and the
61 terms and conditions thereof as set forth in the bond purchase contracts, attached hereto
62 as Attachments A and B (the "Purchase Contracts"), are hereby ratified and confirmed,
63 and the Purchase Contracts are hereby approved. The Bonds shall bear interest at the

64 rates set forth in the Purchase Contracts and shall conform in all other respects to the
65 terms and conditions specified in the Purchase Contracts and Bond Ordinance. The
66 Bonds shall be subject to redemption as set forth in the Purchase Contracts.

67 C. Satisfaction of Parity Conditions.

68 1. The Sewer Revenue Bonds. In accordance with the Bond
69 Ordinance and the provisions of the ordinances authorizing the issuance of the currently
70 outstanding Parity Bonds, which permit the issuance of Future Parity Bonds upon
71 compliance with the conditions set forth therein (the "Parity Conditions for Future Parity
72 Bonds"), the county council hereby finds and determines, as follows:

73 (i) The Project Bonds included with the Sewer Revenue Bonds are to
74 be issued for the purpose of acquiring, constructing and installing portions of the
75 Comprehensive Plan and for acquiring, constructing and installing necessary renewals or
76 replacements of the System.

77 (ii) The Refunding Bonds included with the Sewer Revenue Bonds are
78 to be issued for the purpose of refunding and retiring prior to their maturity certain
79 outstanding obligations of the county payable from Revenue of the System.

80 (iii) There is not now, and when the Sewer Revenue Bonds are issued
81 there will not then be, any deficiency in the Parity Bond Fund or any account therein.

82 (iv) The Bond Ordinance provides for payment out of the Parity Bond
83 Fund of the principal of and interest on the Sewer Revenue Bonds and this motion
84 provides for satisfaction of the Reserve Requirement, as required by the Parity
85 Conditions for Future Parity Bonds.

86 (v) The county will have on file at the Closing of the Bonds
87 certificates of the Finance Director to satisfy the revenue tests required by the Parity
88 Conditions for Future Parity Bonds.

89 The applicable Parity Conditions for Future Parity Bonds having been
90 complied with in connection with the issuance of the Sewer Revenue Bonds, the pledge
91 contained in the Bond Ordinance of Revenue of the System to pay and secure the
92 payment of the Sewer Revenue Bonds shall constitute a lien and charge upon such
93 revenue equal in rank with the lien and charge upon the Revenue of the System to pay
94 and secure the payment of the outstanding Parity Bonds.

95 2. The LTGO Sewer Bonds. In accordance with the Bond Ordinance
96 and the provisions of the ordinances authorizing the issuance of the currently outstanding
97 Parity Lien Obligations, which permit the issuance of additional Parity Lien Obligations
98 upon compliance with the conditions set forth therein (the “Parity Conditions for
99 Additional Parity Lien Obligations”), the county council hereby finds and determines, as
100 follows:

101 (i) The LTGO Sewer Bonds are to be issued to refund outstanding
102 Parity Lien Obligations, which is a lawful purpose of the county related to the System.

103 (ii) There is not now, and when the LTGO Sewer Bonds are issued
104 there will not then be, any deficiency in the Parity Bond Fund, the Parity Lien Obligation
105 Bond Fund, or any other bond fund or account securing Parity Lien Obligations.

106 (iii) The county will file with the clerk of the county council, at or prior
107 to the Closing of the LTGO Sewer Bonds, a certificate of the Finance Director stating
108 that upon the issuance of the LTGO Sewer Bonds (i) total debt service on all Parity

109 Bonds and Parity Lien Obligations (including the LTGO Sewer Bonds but not including
110 the bonds to be refunded thereby) will decrease, and (ii) the Annual Debt Service for each
111 year that any Parity Bonds and any Parity Lien Obligations (including the LTGO Sewer
112 Bonds) are then outstanding will not be increased by more than \$5,000 by reason of the
113 issuance of the LTGO Sewer Bonds.

114 The applicable Parity Conditions for Additional Parity Lien Obligations
115 having been complied with in connection with the issuance of the LTGO Sewer Bonds,
116 the pledge contained in the Bond Ordinance of Revenue of the System to pay and secure
117 the payment of the LTGO Sewer Bonds shall constitute a lien and charge upon such
118 revenue equal in rank with the lien and charge upon the Revenue of the System to pay
119 and secure the payment of the outstanding Parity Lien Obligations.

120 D. Application of Project Bond Proceeds; Satisfaction of Reserve
121 Requirement. In accordance with Section 15.A of the Bond Ordinance, there is hereby
122 established a special subaccount within the Construction Account to be designated as the
123 2012 Construction Subaccount (the "Construction Subaccount"). Proceeds of the Project
124 Bonds (exclusive of accrued interest, if any, which shall be deposited into the Debt
125 Service Account in the Parity Bond Fund) shall be deposited in the Construction
126 Subaccount and applied to pay costs of improvements to the System and costs of issuance
127 of the Project Bonds, in accordance with Section 15.A of the Bond Ordinance.

128 In accordance with Section 9.C of the Bond Ordinance, proceeds of the Project
129 Bonds shall be deposited into the Parity Bond Reserve Account in an amount sufficient to
130 satisfy the Reserve Requirement with respect to the Sewer Revenue Bonds.

131 E. Refunding and Redemption of Refunded Bonds.

162. (b) the redemption price (100% of the principal amount)
163 payable on January 1, 2014, of the Refunded 2004A Bonds ;
164 (c) the interest on the refunded Limited Tax General
165 Obligation Bonds (Payable from Sewer Revenues), 2005 (the “Refunded 2005 Bonds”)
166 payable on and prior to January 1, 2015; and,
167 (d) the redemption price (100% of the principal amount)
168 payable on January 1, 2015 of the Refunded 2005 Bonds.

169 The selection of U.S. Bank National Association as Escrow Agent is hereby
170 ratified and confirmed. The Escrow Agreement shall be in substantially the form set
171 forth as Attachment C hereto.

172 Any beginning cash balance and the Escrow Securities shall be irrevocably
173 deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds
174 in accordance with the ordinances authorizing the Refunded Bonds. Any amounts
175 described above that are not provided for in full by such beginning cash balance and the
176 purchase and deposit with the Escrow Agent of the Escrow Securities shall be provided
177 for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the
178 Refunding Bonds or any other money of the county legally available therefor. The
179 proceeds of the Refunding Bonds remaining in the Refunding Account after acquisition
180 of the Escrow Securities and provision for the necessary beginning cash balance shall be
181 utilized to pay expenses of the acquisition and safekeeping of the Escrow Securities and
182 the costs of issuing the Refunding Bonds. The county may, from time to time, transfer,
183 or cause to be transferred, from the Refunding Account any money not thereafter required
184 for the purposes set forth in subparagraphs (a) -- (d) above, subject to verification in

185 writing by an independent certified public accountant that such transfer will not result in
186 inadequate funds being available to make the required payments therefrom. The county
187 reserves the right to substitute other securities for the Escrow Securities in the event it
188 may do so pursuant to Section 148 of the Code and applicable regulations thereunder,
189 upon compliance with the conditions set forth in the Escrow Agreement.

190 2. Redemption of Refunded Bonds. The county hereby irrevocably
191 sets aside sufficient funds through the purchase of the Escrow Securities and an initial
192 cash deposit to make the payments, as specified in subparagraphs (a) -- (d) above.

193 The county hereby irrevocably defeases and calls for redemption on January 1,
194 2014 the Refunded 2004A Bonds and on January 1, 2015, the Refunded 2005 Bonds in
195 accordance with the provisions of the ordinances authorizing the redemption and
196 retirement of the Refunded Bonds prior to their fixed maturities.

197 Said defeasance and calls for redemption of the Refunded Bonds shall be
198 irrevocable after the final establishment of the Refunding Account and delivery of the
199 Escrow Securities and the requisite cash deposit, if any, to the Escrow Agent, except as
200 provided herein relating to the substitution of securities. The Finance Director is
201 authorized and requested to provide whatever assistance is necessary to accomplish such
202 defeasance and redemption.

203 The Escrow Agent is hereby authorized and directed to notify the fiscal agency of
204 the State of Washington to give notice of the redemption of the Refunded Bonds in
205 accordance with the applicable provisions of the ordinances authorizing their issuance.
206 The Finance Director is authorized and requested to provide whatever assistance is

207 necessary to accomplish such redemption and the giving of notice therefor. The costs of
208 publication of such notice shall be an expense of the county.

209 The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or
210 agencies of the State of Washington sums sufficient to make, when due, the payments
211 specified in subparagraphs (a) -- (d) above. All such sums shall be paid from the money
212 and the Escrow Securities deposited with the Escrow Agent pursuant to this section, and
213 the income therefrom and proceeds thereof. All such sums so paid shall be credited to
214 the Refunding Account. All money and Escrow Securities deposited with the Escrow
215 Agent and any income therefrom shall be held, invested and applied in accordance with
216 the provisions of the Bond Ordinance and with the laws of the State of Washington for
217 the benefit of the county and the owners of the Refunded Bonds.

218 3. Findings of Saving and Defeasance. This council hereby finds and
219 determines that the issuance and sale of the Refunding Bonds at this time will effect a
220 savings to the county and ratepayers of the System. In making such finding and
221 determination, the council has given consideration to the interest on and the fixed
222 maturities of the Refunding Bonds and the Refunded Bonds, the costs of issuance of the
223 Refunding Bonds and the known earned income from the investment of the proceeds of
224 sale of the Refunding Bonds pending redemption and payment of the Refunded Bonds.

225 This council hereby further finds and determines that the Escrow Securities to be
226 deposited with the Escrow Agent and the income therefrom, together with any necessary
227 beginning cash balance, are sufficient to defease and redeem the above-referenced
228 Refunded Bonds and will discharge and satisfy the obligations of the county with respect
229 to the Refunded Bonds under the ordinances authorizing their issuance and the pledges of

230 the county therein. Immediately upon the delivery of such Escrow Securities to the
231 Escrow Agent and the deposit of any necessary beginning cash balance, the Refunded
232 Bonds shall be deemed not to be outstanding under their authorizing ordinance and shall
233 cease to be entitled to any lien, benefit or security under such ordinances except the right
234 to receive payment from the Escrow Securities and beginning cash balance so set aside
235 and pledged.

236 F. Undertaking to Provide Ongoing Disclosure with respect to the Sewer
237 Revenue Bonds.

238 1. Contract/Undertaking. In accordance with Section 31 of the Bond
239 Ordinance, this Section F and Section H constitute the county's written undertaking for
240 the benefit of the Owners and Beneficial Owners of the Sewer Revenue Bonds as
241 required by paragraph (b)(5) of Securities and Exchange Commission ("SEC") Rule
242 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from
243 time to time (the "Rule").

244 2. Financial Statements/Operating Data. The county agrees to
245 provide or cause to be provided to the MSRB the following annual financial information
246 and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended
247 December 31, 2011):

248 (a) Annual financial statements, which may or may not be audited,
249 showing year-end fund balance for the County's Water Quality Enterprise fund prepared
250 in accordance with the Budget Accounting and Reporting System ("BARS") prescribed
251 by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes)
252 and generally of the type included in the official statement for the Bonds under the

253 heading "Appendix D: King County Water Quality Enterprise 2010 Audited Financial
254 Statements";

255 (b) Amount of outstanding Parity Bonds; and

256 (c) Information regarding customers, revenues and expenses of the
257 Sewer System, as set forth in the table titled "Historical Financial Statements."

258 Items (b) and (c) shall be required only to the extent that such information is not
259 included in the annual financial statements.

260 The annual information and operating data described above shall be provided on
261 or before the end of seven months after the end of the county's fiscal year. The county's
262 current fiscal year ends on December 31. The county may adjust such fiscal year by
263 providing written notice to the MSRB. In lieu of providing such annual financial
264 information and operating data, the county may make specific cross reference to other
265 documents available to the public on the MSRB's internet website or filed with the SEC.

266 If not provided as part of the annual financial information discussed above, the
267 County will provide to the MSRB the County's audited annual financial statements of the
268 County's Water Quality Enterprise prepared in accordance with BARS when and if
269 available.

270 3. Notification Upon Failure to Provide Financial Data. The county
271 agrees to provide, in a timely manner, to the MSRB notice of its failure to provide the
272 annual financial information and operating data described above on or prior to the date
273 set forth above.

274 4. Specified Events. The county agrees to provide or cause to be
275 provided, to the MSRB in a timely manner, not in excess of ten business days after the

- 276 occurrence of the event, notice of any of the following events with respect to the Sewer
277 Revenue Bonds:
- 278 (a) Principal and interest payment delinquencies;
 - 279 (b) Non-payment related defaults, if material;
 - 280 (c) Unscheduled draws on debt service reserves reflecting financial
281 difficulties;
 - 282 (d) Unscheduled draws on credit enhancements reflecting financial
283 difficulties;
 - 284 (e) Substitution of credit or liquidity providers, or their failure to
285 perform;
 - 286 (f) Adverse tax opinions, the issuance by the Internal Revenue Service
287 of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
288 5701-TEB) or other material notices or determinations with respect to the tax status of the
289 Sewer Revenue Bonds or other material events affecting the tax-exempt status of the
290 Sewer Revenue Bonds;
 - 291 (g) Modifications to rights of Bondholders, if material;
 - 292 (h) Bond calls, if material, and tender offers for the Sewer Revenue
293 Bonds;
 - 294 (i) Defeasances;
 - 295 (j) Release, substitution or sale of property securing repayment of the
296 Sewer Revenue Bonds, if material;
 - 297 (k) Rating changes;

298 (l) Bankruptcy, insolvency, receivership, or similar event of the
299 county or any “obligated person” (as such term is defined in the Rule);

300 (m) The consummation of a merger, consolidation or acquisition
301 involving the county or an obligated person or the sale of all or substantially all of the
302 assets of the county or the obligated person, other than in the ordinary course of business,
303 the entry into a definitive agreement to undertake such an action or the termination of a
304 definitive agreement relating to any such actions, other than pursuant to its terms, if
305 material; and,

306 (n) Appointment of a successor or additional trustee or the change of
307 name of a trustee, if material.

308 Solely for purposes of disclosure, and not intending to modify this undertaking,
309 the county advises with reference to items (c) and (j) above that the Parity Bond Reserve
310 Account is the debt service reserve for the Sewer Revenue Bonds and no property secures
311 repayment of the Sewer Revenue Bonds.

312 The county agrees to provide or cause to be provided to the MSRB, in a timely
313 manner, notice of the county’s failure to provide the annual financial information
314 described in subsection 2 above on or prior to the date set forth in subsection 2 above.

315 G. Undertaking to Provide Ongoing Disclosure with respect to the LTGO
316 Sewer Revenue Bonds.

317 1. Contract/Undertaking. In accordance with Section 31 of the Bond
318 Ordinance, this Section G and Section H constitute the county's written undertaking for
319 the benefit of the Owners and Beneficial Owners of the LTGO Sewer Bonds as required

320 by paragraph (b)(5) of SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as
321 the same may be amended from time to time.

322 2. Financial Statements/Operating Data. The county agrees to
323 provide or cause to be provided to the MSRB the following annual financial information
324 and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended
325 December 31, 2011):

326 (a) Annual financial statements prepared in accordance with BARS
327 prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any
328 successor statutes) and generally of the type included in the official statement for the
329 Bonds under the heading "Appendix C," which statements will not be audited, except that
330 if and when audited financial statements are otherwise prepared and available to the
331 county they will be provided;

332 (b) A summary of the assessed value of taxable property in the county;

333 (c) A summary of budgeted General Fund revenues and
334 appropriations;

335 (d) A summary of *ad valorem* property tax levy rates per \$1,000 of
336 assessed value and delinquency rates;

337 (e) A summary of outstanding tax-supported indebtedness of the
338 county;

339 (f) A schedule of the aggregate annual debt service on tax-supported
340 indebtedness of the county; and,

341 (g) Information regarding customers, revenues and expenses of the
342 Sewer System as set forth in the table titled "Historical Financial Statements."

343 Items (b) through (f) shall be required only to the extent that such information is
344 not included in the annual financial statement.

345 The annual information and operating data described above shall be provided on
346 or before the end of seven months after the end of the county's fiscal year. The county's
347 current fiscal year ends on December 31. The county may adjust such fiscal year by
348 providing written notice to the MSRB. In lieu of providing such annual financial
349 information and operating data, the county may make specific cross reference to other
350 documents available to the public on the MSRB's internet web site or filed with the SEC.

351 If not provided as part of the annual financial information discussed above, the
352 County will provide to the MSRB the County's audited annual financial statement
353 prepared in accordance with BARS when and if available.

354 3. Specified Events. The county agrees to provide or cause to be
355 provided, in a timely manner, not in excess of ten business days after the occurrence of
356 the event, to the MSRB, notice of the occurrence of any of the following specified events
357 with respect to the LTGO Sewer Bonds:

- 358 (a) Principal and interest payment delinquencies;
- 359 (b) Non-payment related defaults, if material;
- 360 (c) Unscheduled draws on debt service reserves reflecting financial
361 difficulties;
- 362 (d) Unscheduled draws on credit enhancements reflecting financial
363 difficulties;
- 364 (e) Substitution of credit or liquidity providers, or their failure to
365 perform;

366 (f) Adverse tax opinions, the issuance by the Internal Revenue Service
367 of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
368 5701-TEB) or other material notices or determinations with respect to the tax status of the
369 LTGO Sewer Bonds or other material events affecting the tax-exempt status of the
370 LTGO Sewer Bonds;

371 (g) Modifications to rights of Bondholders, if material;

372 (h) Bond calls for redemption, if material, and tender offers for the
373 LTGO Sewer Bonds;

374 (i) Defeasances;

375 (j) Release, substitution or sale of property securing repayment of the
376 LTGO Sewer Bonds, if material;

377 (k) Rating changes;

378 (l) Bankruptcy, insolvency, receivership, or similar event of the
379 county;

380 (m) The consummation of a merger, consolidation or acquisition
381 involving the county or the sale of all or substantially all of the assets of the county, other
382 than in the ordinary course of business, the entry into a definitive agreement to undertake
383 such an action or the termination of a definitive agreement relating to any such actions,
384 other than pursuant to its terms, if material; and,

385 (n) Appointment of a successor or additional trustee or the change of
386 name of a trustee, if material.

387 Solely for purposes of disclosure, and not intending to modify the undertakings,
388 the county advises with reference to items (c), (j) and (n) that no debt service reserves

389 secure payment of the LTGO Sewer Bonds, no property secures repayment of the LTGO
390 Sewer Bonds, and there is no trustee for the LTGO Sewer Bonds.

391 The county agrees to provide or cause to be provided, in a timely manner, to the
392 MSRB, notice of its failure to provide the annual financial information and operating data
393 described in subsection 2 above on or prior to the date set forth in subsection 2 above.

394 H. Additional Undertaking Provisions.

395 1. EMMA; Format for Filings with the MSRB. Until otherwise
396 designated by the MSRB or the SEC, any information or notices submitted to the MSRB
397 in compliance with the Rule are to be submitted through the MSRB's Electronic
398 Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org
399 [<http://www.emma.msrb.org>](http://www.emma.msrb.org). All notices, financial information and operating data
400 required by the undertakings to be provided to the MSRB must be in an electronic format
401 as prescribed by the MSRB. All documents provided to the MSRB pursuant to the
402 undertakings must be accompanied by identifying information as prescribed by the
403 MSRB.

404 2. Termination/Modification. The county's obligations pursuant to
405 the undertakings to provide annual financial information and notices of specified events
406 with respect to each series of the Bonds will terminate upon the legal defeasance or
407 payment in full of that series of the Bonds. These obligations, or any provision hereof,
408 will be null and void if the county (i) obtains an opinion of nationally recognized bond
409 counsel to the effect that those portions of the Rule that require these obligations, or any
410 such provision, are invalid, have been repealed retroactively or otherwise do not apply to

411 the Bonds; and (ii) notifies the MSRB of such opinion and the cancellation of these
412 obligations.

413 Notwithstanding any other provision of this motion, the county may amend the
414 undertakings, and any provision of the undertakings may be waived, with an approving
415 opinion of nationally recognized bond counsel and in accordance with the Rule.

416 In the event of any amendment or waiver of a provision of the undertakings, the
417 county will describe such amendment in the next annual report provided thereunder, and
418 shall include, as applicable, a narrative explanation of the reason for the amendment or
419 waiver and its impact on the type (or in the case of a change of accounting principles, on
420 the presentation) of financial information or operating data being presented by the
421 county. In addition, if an amendment relates to the accounting principles to be followed
422 in preparing financial statements, (i) notice of such change shall be given in the same
423 manner as above for a specified event, and (ii) the annual report for the year in which the
424 change is made should present a comparison (in narrative form and also, if feasible, in
425 quantitative form) between the financial statements as prepared on the basis of the new
426 accounting principles and those prepared on the basis of the former accounting principles.

427 3. Bond Owner's Remedies. The right of any Bond owner or
428 Beneficial Owner of Bonds to enforce the provisions of the applicable undertaking shall
429 be limited to a right to obtain specific enforcement of the county's obligations hereunder,
430 and any failure by the county to comply with the provisions of an undertaking shall not
431 be an event of default with respect to the applicable Bonds. For purposes of this section,
432 "Beneficial Owner" means any person who has the power, directly or indirectly, to vote

433 or consent with respect to, or to dispose of ownership of, any Bond, including persons
434 holding Bonds through nominees or depositories.

435 I. Further Authority. The county officials, their agents, attorneys and
436 representatives are hereby authorized and directed to do everything necessary for the
437 prompt issuance and delivery of the Bonds and for the proper use and application of the
438 proceeds of such sale.

439 J. Severability. If any provision in this motion is declared by any court of
440 competent jurisdiction to be contrary to law, then such provision shall be null and void

441 and shall be deemed separable from the remaining provisions of this motion and shall in
442 no way affect the validity of the other provisions of this motion or of the Bonds.
443

Motion 13649 was introduced on 3/26/2012 and passed by the Metropolitan King
County Council on 3/26/2012, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Sewer Revenue Bond Purchase Contract, B. LTGO Sewer Bond Purchase Contract,
C. Escrow Deposit Agreement

ATTACHMENT A

EXECUTION VERSION

KING COUNTY, WASHINGTON**\$104,445,000****SEWER REVENUE AND REFUNDING BONDS, 2012****BOND PURCHASE CONTRACT**

March 26, 2012

King County, Washington

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the "Representative"), acting on behalf of itself and as representative of Citigroup Global Markets Inc. and Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters"), offers to enter into this bond purchase contract (together with the exhibits attached hereto, the "Contract") with King County, Washington (the "County"), which upon acceptance of this offer by the County will be binding upon the County and the Underwriters. This offer is made subject to receipt by the Representative of the documents described in this Contract and to the County's acceptance by executing this Contract and delivering it to the Representative at or prior to 11:59 p.m., Pacific Time, on the date of this Contract. If not so accepted, this offer will be subject to withdrawal by the Representative upon notice delivered to the County at any time prior to acceptance of this Contract by the County.

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

The County and the Underwriters hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth in this Contract, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to issue, sell and deliver to the Underwriters, all (but not less than all) of the County's \$104,445,000 aggregate principal amount of Sewer Revenue and Refunding Bonds, 2012 (the "Bonds"). The Bonds shall be dated the date of their initial delivery to the Underwriters; shall be fully registered as to both principal and interest; and shall bear interest at the rates per annum, be payable as to principal and interest, be initially reoffered to the public at the prices corresponding to the yields and have such terms relating to redemption as are set forth in Exhibit A attached hereto and such other terms and provisions as are set forth in the Preliminary Official Statement (defined herein). The proceeds of the Bonds shall be used as described in the Preliminary Official Statement. The purchase price for the Bonds shall be \$113,459,656.37, representing the aggregate principal amount of the Bonds, plus an original issue premium of \$9,375,177.80, less an underwriting discount of \$360,521.43.

2. Closing. Subject to the terms and conditions of this Contract, the delivery of the Bonds and payment of the aggregate purchase price of the Bonds set forth in paragraph 1 (the

“Closing”) shall take place at the office of the King County Treasury Operations Section no later than 10:00 a.m., Pacific Time, on April 18, 2012, or on such other day or at such other place as shall be agreed to by the Representative and the County (the “Closing Date”). At the Closing:

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

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

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

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

(a) At or prior to the time of the execution of this Contract, the County shall deliver to the Representative (i) a copy of Ordinance 17111 passed on June 20, 2011, and a copy of the motion of the County Council adopted on the date of this Contract approving this Contract and the issuance and sale of the Bonds (the “Sale Motion,” and together with Ordinance 17111, the “Bond Legislation”) and (ii) a copy of the Preliminary Official Statement of the County dated March 19, 2012, relating to the Bonds (including the cover and inside cover thereof and all appendices, exhibits, reports and statements included therein or attached thereto, the “Preliminary Official Statement”), which the County has deemed final, except for information permitted to be omitted under paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”). The Official Statement of the County, dated the date of this Contract, in the form of the Preliminary Official Statement, with only such amendments or supplements thereto as have been accepted by the Representative, is referred to as the “Official Statement.”

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

use of the Official Statement by the Underwriters in connection with the public offering and sale of the Bonds.

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

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

(a) The County is a duly created and existing political subdivision of the State of Washington and has all requisite legal right, power and authority (i) to enter into this Contract; (ii) to pass the Bond Legislation; (iii) to execute, issue, sell and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Contract and the Escrow Deposit Agreement dated the Closing Date (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 Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement. The execution, delivery and performance of this Contract, the Bonds and the Escrow Agreement, the passage of the Bond Legislation and the issuance of the Bonds thereunder, the execution and delivery by the County and the use and distribution by the 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 Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement have been duly authorized by all necessary action on the part of the County.

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

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

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

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

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

(f) Except as described in the 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 (either of the State of Washington or the United States) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of this Contract, the Bond Legislation, the Bonds or the Escrow Agreement; (ii) the 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 Contract, the Bond Legislation, the Bonds, the Escrow Agreement or the Official Statement; and to the best knowledge of the Finance Director, after due inquiry, there is no other event or circumstance that would have a material adverse effect on the power or ability of the County to perform its obligations hereunder or with respect to the Bonds or to consummate the transactions to which it is or is to be a party as contemplated by this Contract, the Bond Legislation, the Bonds, the Escrow Agreement or the Official Statement.

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

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

(i) 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.

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

(k) Except as described in the 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 Contract, the Bond Legislation, the Bonds or the Escrow Agreement have been obtained and are in full force and effect (except no representation is made as to compliance with Blue Sky laws).

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

(m) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the 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 Contract, the Bond Legislation, the Escrow Agreement and the Official Statement by the Underwriters in obtaining such qualifications.

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

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

(p) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Contract is an arm's-length commercial transaction between the County and the Underwriters, (ii) in connection with such transaction, the Underwriters are and have been acting solely as principals and are not acting as agents or fiduciaries of the County, (iii) the Underwriters have not assumed an advisory or 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) or any other obligation to the County except the obligations expressly set forth in this Contract, (iv) the County has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds, and (v) the Underwriters have financial and other interests that differ from those of the County.

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

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

(b) At the time of the Closing, (i) this Contract, the Bond Legislation and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified or

supplemented; (ii) the County shall perform or have performed all of its respective obligations required under or specified in this Contract, the Bond Legislation and the Escrow Agreement to be performed at or prior to the Closing; and (iii) all actions by or on behalf of the County or otherwise necessary to execute, authenticate, issue, deliver and sell the Bonds pursuant hereto to give effect to the pledges and other provisions of the Bond Legislation shall have been taken.

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

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

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

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

(i) Copies of Ordinance 17111 and the Sale Motion, each certified by the Clerk of the County Council to have been duly passed by the County and to be in full force and effect as of the Closing.

(ii) The approving opinion of K&L Gates LLP ("Bond Counsel"), dated the Closing Date, in substantially the form attached to the Preliminary Official Statement as Appendix B.

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the County has the legal right, power and authority (1) to pass the Bond Legislation and to enter into this Contract and the Escrow Agreement, (2) to issue, sell and deliver the Bonds to the Underwriters, (3) to perform its obligations under this Contract, the Bond Legislation and the Escrow Agreement, and (4) to carry out the transactions contemplated by this Contract, the Bond Legislation, the Bonds and the Escrow Agreement; (B) the County has duly passed the Bond Legislation, has duly approved, authorized, executed and delivered this Contract and the Escrow Agreement, and, assuming with respect to this Contract and the Escrow Agreement due execution and delivery thereof by the other parties thereto, this Contract, the Bond Legislation and the Escrow Agreement constitute

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

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

(v) An opinion, dated the Closing Date and addressed to the Underwriters, of Foster Pepper PLLC, counsel to the Underwriters, to the effect that (A) the offer and sale of the Bonds by the Underwriters are exempt from the registration requirements of the Securities Act; (B) the Bond Legislation is exempt from qualification under the Trust Indenture Act; (C) the undertaking set forth in the Sale Motion, together with paragraph 4(b) of this Contract, provide a suitable basis for the Underwriters to reasonably determine, pursuant to paragraph (b)(5)(i) of Rule 15c2-12, that the County has undertaken in written agreements or contracts for the benefit of the holders of the Bonds to provide the annual financial information and notices required by Rule 15c2-12; and (D) no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that caused such attorneys to believe that the Official Statement (except any financial, economic or statistical data contained in the Official Statement, any information contained in the Official Statement regarding DTC or how interest on the Bonds is treated for federal income tax purposes, and the information contained in Appendix B, C, D, E, F and G to the Official Statement, as to all of which no opinion or belief need be expressed), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

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

(x) Evidence satisfactory to the Representative that the Bonds have been assigned ratings of "Aa2" and "AA+" by Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

(xi) A certificate of the County, executed by an authorized representative of the County, dated the Closing Date, to the effect that (A) the representations, warranties and covenants of the County contained in this Contract are true and correct in all material respects on and as of the Closing with the same effect as if made as of the Closing; (B) to the best knowledge of such authorized representative, as of the date of this Contract and as of the Closing, the Official Statement was and is true and complete in all material respects and does not contain an untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation or warranty need be made with respect to the information contained under the caption entitled "LEGAL AND TAX INFORMATION—Tax Matters" and the information concerning DTC or

the book-entry system); (C) the County is not in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations 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 such 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 Contract, the Bond Legislation and the Escrow Agreement on its part to be performed or satisfied at or prior to the delivery of the Bonds.

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

(xiii) A certificate of the Escrow Agent, executed by an authorized officer of the Escrow Agent, dated the Closing Date, to the effect that (A) the Escrow Agent is a duly organized and validly existing national banking association under the laws of the United States, legally doing business in and duly qualified to exercise trust powers in the State of Washington, eligible under the Escrow Agreement to act as Escrow Agent thereunder, and has full corporate right, power and authority to accept the trusts contemplated by and to perform all duties and obligations on its part to be performed and to take all actions required or permitted on its part to be taken under and pursuant to the Escrow Agreement; (B) the Escrow Agent has duly authorized the acceptance of the trusts contemplated by the Escrow Agreement, has duly accepted the duties and obligations of Escrow Agent thereunder, and the duties and obligations of the Escrow Agent under the Escrow Agreement constitute valid, legal and binding obligations of the Escrow Agent in accordance with the terms of the Escrow Agreement subject to customary qualifications and exceptions; (C) all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, agency, board or commission having jurisdiction in the matter which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Escrow Agent of its duties and obligations under the Escrow Agreement, have been obtained and are in full force and effect; (D) the acceptance of the duties and obligations of the Escrow Agent under the Escrow Agreement and the performance or the consummation of the transactions on the part of the Escrow Agent contemplated in the Escrow Agreement and the compliance by the Escrow Agent with the terms, conditions and provisions of the Escrow Agreement have been duly authorized by all necessary corporate action on the part of the Escrow Agent and do not contravene any provision of applicable law or regulation or any order, decree, writ or injunction or the Escrow Agent's articles of association or bylaws, and do not require consent under (except

to the extent such consent has been obtained), or result in a breach of or default under, any credit agreement or other instrument to which the Escrow Agent is a party or is otherwise subject or bound; and (E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body, pending or threatened, in any way contesting or affecting the creation, organization or existence of the Escrow Agent or the authority of the Escrow Agent to accept or perform the duties and obligations of the Escrow Agent under the Escrow Agreement.

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

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

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

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

(b) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Washington, or a decision by a court within the State of Washington shall be rendered, which in the Representative's opinion, materially adversely affects the marketability of the Bonds or the ability of the Underwriters to enforce contracts for sale of the Bonds.

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

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

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

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

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

(h) Any rating of the Bonds or any other Parity Bonds shall have been downgraded, suspended or withdrawn or placed on credit watch with a negative outlook by a national rating service, which event, in the Representative's opinion, materially adversely affects

the market price or marketability of the Bonds, or any proceeding shall be pending or threatened by the Securities and Exchange Commission or the Attorney General of the State of Washington against the County relating to the Bonds.

(i) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, including financial crisis, the effect of which on the financial markets of the United States being such, as in the reasonable judgment of the Representative, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds.

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

8. Payment of Costs.

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

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

9. 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 an Underwriter within the meaning of Section 15 of the Securities Act (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for

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

10. Notices. Any notice or other communication to be given to the County under this Contract may be given by delivering the same in writing to the office of the Finance Director, 500 Fourth Avenue, Room 600, Seattle, Washington 98104, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to J.P. Morgan Securities LLC, 1301 Second Avenue, 24th Floor, Seattle, Washington 98101; Attention: Christine Pihl.

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

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

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

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

15. Entire Agreement. This Contract constitutes the entire agreement between the Underwriters and the County with respect to the matters covered hereby and supersedes all prior agreements and understandings between the Underwriters and the County. This Contract shall

only be amended, supplemented or modified in a writing signed by both the Representative and the County.

[Signature page follows]

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

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: _____
Christine Pihl, Executive Director

Accepted on: March 26, 2012

KING COUNTY, WASHINGTON

By: _____
Authorized Representative

EXHIBIT A

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

Maturity Date (January 1)	Principal Amount	Interest Rate	Initial Reoffering Yield*
2023	\$ 5,785,000	5.00%	2.67%
2023	2,000,000	4.00	2.77
2024	6,140,000	5.00	— 2.78
2024	2,000,000	4.00	2.93
2025	6,520,000	5.00	2.89
2025	2,000,000	4.00	3.08
2052	80,000,000	5.00	4.15

* Calculated to the par call date of January 1, 2022.

Optional Redemption. The County reserves the right to redeem outstanding Bonds maturing on or after January 1, 2023, in whole or in part, at any time on or after January 1, 2022, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Redemption. If not previously redeemed as described above or purchased under the provisions described in the Sale Motion, the Bonds maturing on January 1, 2052 will be called for mandatory sinking fund redemption (in such manner as the Bond Registrar may determine) at a price of par, plus accrued interest to the date fixed for redemption, on January 1 in the years and amounts as follows:

Years (January 1)	Amounts
2043	\$6,360,000
2044	6,680,000
2045	7,010,000
2046	7,365,000
2047	7,730,000
2048	8,120,000
2049	8,525,000
2050	8,950,000
2051	9,395,000
2052*	9,865,000

* Maturity.

EXHIBIT B**CERTIFICATE OF CHIEF CIVIL DEPUTY COUNTY PROSECUTING ATTORNEY**

I, Kevin Wright, the duly appointed and qualified Chief Civil Deputy Prosecuting Attorney of King County, Washington (the "County"), in connection with the issuance by the County of its Sewer Revenue and Refunding Bonds, 2012 (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 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 March 26, 2012, under the captions "LEGAL AND TAX INFORMATION—Litigation" and "—Recent Developments in Non-Tort Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of such litigation, and are true and correct.

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

For DAN SATTERBERG,
King County Prosecuting Attorney

Kevin Wright
Chief Civil Deputy

EXECUTION VERSION

KING COUNTY, WASHINGTON

\$68,395,000
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
(PAYABLE FROM SEWER REVENUES), 2012

BOND PURCHASE CONTRACT

March 26, 2012

King County, Washington

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the "Representative"), acting on behalf of itself and as representative of Citigroup Global Markets Inc. and Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters"), offers to enter into this bond purchase contract (together with the exhibits attached hereto, the "Contract") with King County, Washington (the "County"), which upon acceptance of this offer by the County will be binding upon the County and the Underwriters. This offer is made subject to receipt by the Representative of the documents described in this Contract and to the County's acceptance by executing this Contract and delivering it to the Representative at or prior to 11:59 p.m., Pacific Time, on the date of this Contract. If not so accepted, this offer will be subject to withdrawal by the Representative upon notice delivered to the County at any time prior to acceptance of this Contract by the County.

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

The County and the Underwriters hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth in this Contract, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to issue, sell and deliver to the Underwriters, all (but not less than all) of the County's \$68,395,000 aggregate principal amount of Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 2012 (the "Bonds"). The Bonds shall be dated the date of their initial delivery to the Underwriters; shall be fully registered as to both principal and interest; and shall bear interest at the rates per annum, be payable as to principal and interest, be initially reoffered to the public at the prices corresponding to the yields and have such terms relating to redemption as are set forth in Exhibit A attached hereto and such other terms and provisions as are set forth in the Preliminary Official Statement (defined herein). The proceeds of the Bonds shall be used as described in the Preliminary Official Statement. The purchase price for the Bonds shall be \$81,731,898.36, representing the aggregate principal amount of the Bonds, plus an original issue premium of \$13,540,153.40, less an underwriting discount of \$203,255.04.

2. Closing. Subject to the terms and conditions of this Contract, the delivery of the Bonds and payment of the aggregate purchase price of the Bonds set forth in paragraph 1 (the "Closing") shall take place at the office of the King County Treasury Operations Section no later than 10:00 a.m., Pacific Time, on April 18, 2012, or on such other day or at such other place as shall be agreed to by the Representative and the County (the "Closing Date"). At the Closing:

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

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

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

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

(a) At or prior to the time of the execution of this Contract, the County shall deliver to the Representative (i) a copy of Ordinance 17111 passed on June 20, 2011, and a copy of the motion of the County Council adopted on the date of this Contract approving this Contract and the issuance and sale of the Bonds (the "Sale Motion," and together with Ordinance 17111, the "Bond Legislation") and (ii) a copy of the Preliminary Official Statement of the County dated March 19, 2012, relating to the Bonds (including the cover and inside cover thereof and all appendices, exhibits, reports and statements included therein or attached thereto, the "Preliminary Official Statement"), which the County has deemed final, except for information permitted to be omitted under paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). The Official Statement of the County, dated the date of this Contract, in the form of the Preliminary Official Statement, with only such amendments or supplements thereto as have been accepted by the Representative, is referred to as the "Official Statement."

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

Rule 15c2-12. The County hereby ratifies, approves and confirms the distribution and use of the Preliminary Official Statement by the Underwriters and hereby authorizes the distribution and use of the Official Statement by the Underwriters in connection with the public offering and sale of the Bonds.

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

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

(a) The County is a duly created and existing political subdivision of the State of Washington and has all requisite legal right, power and authority (i) to enter into this Contract; (ii) to pass the Bond Legislation; (iii) to execute, issue, sell and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Contract and the Escrow Deposit Agreement dated the Closing Date (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 Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement. The execution, delivery and performance of this Contract, the Bonds and the Escrow Agreement, the passage of the Bond Legislation and the issuance of the Bonds thereunder, the execution and delivery by the County and the use and distribution by the 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 Contract and by the Bond Legislation, the Bonds, the Escrow Agreement and the Official Statement have been duly authorized by all necessary action on the part of the County.

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

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

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

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

(f) Except as described in the 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 (either of the State of Washington or the United States) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of this Contract, the Bond Legislation, the Bonds or the Escrow Agreement; (ii) the County's pledge

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

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

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

(i) 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 the full faith and credit of the County or 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 County or 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 County or the Sewer System.

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

(k) Except as described in the 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 Contract, the Bond Legislation, the Bonds or the Escrow Agreement have been obtained and are in full force and effect (except no representation is made as to compliance with Blue Sky laws).

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

(m) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the 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 Contract, the Bond Legislation, the Escrow Agreement and the Official Statement by the Underwriters in obtaining such qualifications.

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

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

(p) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Contract is an arm's-length commercial transaction between the County and the Underwriters, (ii) in connection with such transaction, the Underwriters are and have been acting solely as principals and are not acting as agents or fiduciaries of the County, (iii) the Underwriters have not assumed an advisory or 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) or any other obligation to the County except the obligations expressly set forth in this Contract, (iv) the County has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds, and (v) the Underwriters have financial and other interests that differ from those of the County.

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

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

(b) At the time of the Closing, (i) this Contract, the Bond Legislation and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified or supplemented; (ii) the County shall perform or have performed all of its respective obligations required under or specified in this Contract, the Bond Legislation and the Escrow Agreement to be performed at or prior to the Closing; and (iii) all actions by or on behalf of the County or otherwise necessary to execute, authenticate, issue, deliver and sell the Bonds pursuant hereto to give effect to the pledges and other provisions of the Bond Legislation shall have been taken.

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

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

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

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

(i) Copies of Ordinance 17111 and the Sale Motion, each certified by the Clerk of the County Council to have been duly passed by the County and to be in full force and effect as of the Closing.

(ii) The approving opinion of K&L Gates LLP ("Bond Counsel"), dated the Closing Date, in substantially the form attached to the Preliminary Official Statement as Appendix B.

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the County has the legal right, power and authority (1) to pass the Bond Legislation and to enter into this Contract and the Escrow Agreement, (2) to issue, sell and deliver the Bonds to the Underwriters, (3) to perform its obligations under this Contract, the Bond Legislation and the Escrow Agreement, and (4) to carry out the transactions contemplated by this Contract, the Bond Legislation, the Bonds and the Escrow Agreement; (B) the County has duly passed the Bond Legislation, has duly approved, authorized, executed and delivered this Contract and the Escrow Agreement, and, assuming with respect to this Contract and the Escrow Agreement due execution and delivery thereof by the other parties thereto, this Contract, the Bond Legislation and the Escrow Agreement constitute the legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, to the application of equitable principles and to the exercise of judicial discretion, except that no opinion need be expressed with respect to any provisions of this Contract providing for indemnification; (C) the Bonds have been duly authorized, executed and delivered and are entitled to the benefits and security provided by the Bond Legislation; (D) the Bond Legislation creates the valid pledge of and lien on the Revenue of the System that it purports to create; (E) the County has duly authorized the Finance Director to approve and execute the Official Statement; (F) no consent or approval of, or registration or filing with, any commission, board, authority, regulatory body or instrumentality of the State of Washington is or was required in connection with any of the actions of the County taken in regard to the approval and issuance of the Bonds, except such consents, approvals, registrations or filings as have been obtained on or prior to the Closing, nor is any election or referendum of voters required in connection therewith; provided, that no opinion need be provided with respect to compliance with any Blue Sky laws; (G) the Bonds and their offer and sale are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Legislation is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (H) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVES AND REFERENDA," "LEGAL AND TAX INFORMATION—Tax Matters" and "CONTINUING DISCLOSURE UNDERTAKING," and in Appendix A—"Summary of Bond Ordinance" and Appendix B—"Forms of Bond Counsel Opinions," insofar as such statements contained under such captions or in such appendices purport to summarize certain provisions of the Bond Legislation and the Bonds, are true and correct; and (I) based solely upon participation as Bond Counsel in certain conferences with representatives of the County, the Underwriters, the financial advisor to the County and Underwriters' counsel, during which conferences the contents of the Official Statement and related matters were discussed, and without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, except as expressly set forth in the preceding clause (H), no facts came to the attention of the attorneys of such firm rendering legal services in connection with their representation as Bond Counsel that caused such firm to believe that the Official Statement (except for information concerning DTC and the book-entry system and any financial, demographic and statistical data and projections included in the Official Statement, as to all of which no view need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented as of the Closing (except as aforesaid) as of the

Closing contains, any untrue statement of a material fact or that the Official Statement as of its date omitted, or that the Official Statement as so amended or supplemented as of the Closing (except as aforesaid) as of the Closing omits, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

(v) An opinion, dated the Closing Date and addressed to the Underwriters, of Foster Pepper PLLC, counsel to the Underwriters, to the effect that (A) the offer and sale of the Bonds by the Underwriters are exempt from the registration requirements of the Securities Act; (B) the Bond Legislation is exempt from qualification under the Trust Indenture Act; (C) the undertaking set forth in the Sale Motion, together with paragraph 4(b) of this Contract, provide a suitable basis for the Underwriters to reasonably determine, pursuant to paragraph (b)(5)(i) of Rule 15c2-12, that the County has undertaken in written agreements or contracts for the benefit of the holders of the Bonds to provide the annual financial information and notices required by Rule 15c2-12; and (D) no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that caused such attorneys to believe that the Official Statement (except any financial, economic or statistical data contained in the Official Statement, any information contained in the Official Statement regarding DTC or how interest on the Bonds is treated for federal income tax purposes, and the information contained in Appendix B, C, D, E, F and G to the Official Statement, as to all of which no opinion or belief need be expressed), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

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

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

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

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

(xiii) A certificate of the Escrow Agent, executed by an authorized officer of the Escrow Agent, dated the Closing Date, to the effect that (A) the Escrow Agent is a duly organized and validly existing national banking association under the laws of the United States, legally doing business in and duly qualified to exercise trust powers in the State of Washington, eligible under the Escrow Agreement to act as Escrow Agent thereunder, and has full corporate right, power and authority to accept the trusts contemplated by and to perform all duties and obligations on its part to be performed and to take all actions required or permitted on its part to be taken under and pursuant to the Escrow Agreement; (B) the Escrow Agent has duly authorized the acceptance of the trusts contemplated by the Escrow Agreement, has duly accepted the duties and obligations of Escrow Agent thereunder, and the duties and obligations of the Escrow Agent under the Escrow Agreement constitute valid, legal and binding obligations of the Escrow Agent in accordance with the terms of the Escrow Agreement subject to customary qualifications and exceptions; (C) all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, agency, board or commission having jurisdiction in the matter which would constitute a condition precedent to, or

the absence of which would materially adversely affect, the performance by the Escrow Agent of its duties and obligations under the Escrow Agreement, have been obtained and are in full force and effect; (D) the acceptance of the duties and obligations of the Escrow Agent under the Escrow Agreement and the performance or the consummation of the transactions on the part of the Escrow Agent contemplated in the Escrow Agreement and the compliance by the Escrow Agent with the terms, conditions and provisions of the Escrow Agreement have been duly authorized by all necessary corporate action on the part of the Escrow Agent and do not contravene any provision of applicable law or regulation or any order, decree, writ or injunction or the Escrow Agent's articles of association or bylaws, and do not require consent under (except to the extent such consent has been obtained), or result in a breach of or default under, any credit agreement or other instrument to which the Escrow Agent is a party or is otherwise subject or bound; and (E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body, pending or threatened, in any way contesting or affecting the creation, organization or existence of the Escrow Agent or the authority of the Escrow Agent to accept or perform the duties and obligations of the Escrow Agent under the Escrow Agreement.

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

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

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

(a) The marketability of the Bonds or the market price thereof, in the opinion of the Representative, has been materially adversely affected by (i) an amendment to the Constitution of the United States or by any legislation that shall have been introduced in or enacted by the Congress of the United States; (ii) legislation pending in the Congress of the United States; or (iii) legislation (including any amendment thereto, whether or not in formal bill form) recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives; or (iv) legislation (including any amendment thereto, whether or not in formal bill form) proposed that may have

an effective date prior to the Closing for consideration by either such Committee or by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States; or (v) legislation favorably presented for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration; (vi) a decision by a court of the United States or the Tax Court of the United States; or (vii) a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency, with respect to federal taxation of 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 change, directly or indirectly, the federal income tax consequences resulting from ownership of or receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof.

(b) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Washington, or a decision by a court within the State of Washington shall be rendered, which in the Representative's opinion, materially adversely affects the marketability of the Bonds or the ability of the Underwriters to enforce contracts for sale of the Bonds.

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

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

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

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

(g) Any amendment to the Constitution of the United States, any legislation enacted by the United States, any decision of any court of the United States, or any order, ruling,

regulation or official statement issued or made by or on behalf of the Securities and Exchange Commission, or of any other governmental agency having jurisdiction over the subject matter, having the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from the registration requirements of the Securities Act, or that the Bond Legislation is not exempt from qualification under the Trust Indenture Act.

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

(i) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, including financial crisis, the effect of which on the financial markets of the United States being such, as in the reasonable judgment of the Representative, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds.

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

8. Payment of Costs.

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

(b) The Underwriters shall pay (i) any fees assessed upon the Underwriters with respect to the Bonds by the MSRB and FINRA; (ii) all advertising expenses in connection with any public offering of the Bonds; (iii) the costs of qualifying the Bonds under the Blue Sky or other securities laws of such jurisdictions as the Representative may determine and the costs

of the preparation and printing of Blue Sky memoranda; and (iv) all other costs and expenses incurred by them in connection with any public offering and distribution of the Bonds, including the fees and disbursements of Foster Pepper PLLC, counsel to the Underwriters.

9. 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 an Underwriter within the meaning of Section 15 of the Securities Act (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) determination that the Bonds should have been registered under the Securities Act or the Bond Legislation should have been qualified under the Trust Indenture Act, or (ii) any untrue statement of a material fact contained in the Official Statement or any supplement thereto, or the omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity as described in this paragraph is limited to such losses or damages as are directly the result of the acts or omissions of the County and, should any Indemnified Party make a claim for indemnity under this Contract, the County shall have the right to (i) retain counsel to defend any such action and (ii) control and direct any defense of such claims in such action. This indemnity shall not be construed as a limitation on any other liability that the County may otherwise have to any Indemnified Party; provided, that in no event shall the County be obligated for double indemnification.

10. Notices. Any notice or other communication to be given to the County under this Contract may be given by delivering the same in writing to the office of the Finance Director, 500 Fourth Avenue, Room 600, Seattle, Washington 98104, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to J.P. Morgan Securities LLC, 1301 Second Avenue, 24th Floor, Seattle, Washington 98101; Attention: Christine Pihl.

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

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

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

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

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

[Signature page follows]

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

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: _____
Christine Pihl, Executive Director

Accepted on: March 26, 2012

KING COUNTY, WASHINGTON

By: _____
Authorized Representative

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

Maturity Date (January 1)	Principal Amount	Interest Rate	Initial Reoffering Yield
2013	\$ 640,000	2.00%	0.20%
2017	6,115,000	5.00	1.20
2018	6,425,000	5.00	1.52
2019	6,755,000	5.00	1.75
2020	7,100,000	5.00	1.99
2021	7,465,000	5.00	2.23
2022	7,850,000	5.00	2.44
2023	8,250,000	5.00	2.62*
2024	8,675,000	5.00	2.73*
2025	9,120,000	5.00	2.84*

* Calculated to the par call date of January 1, 2022.

Optional Redemption. The County reserves the right to redeem outstanding Bonds maturing on or after January 1, 2023, in whole or in part, at any time on or after January 1, 2022, at the price of par plus accrued interest, if any, to the date fixed for redemption.

EXHIBIT B**CERTIFICATE OF CHIEF CIVIL DEPUTY COUNTY PROSECUTING ATTORNEY**

I, Kevin Wright, the duly appointed and qualified Chief Civil Deputy Prosecuting Attorney of King County, Washington (the "County"), in connection with the issuance by the County of its Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 2012 (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 and the levy and collection of taxes pledged to pay the principal thereof and interest thereon, or in any manner questioning or contesting the proceedings and authority under which the Bonds are issued, the validity of the Bonds, the corporate existence or boundaries of the County, or the title of the present officers to their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds when due.

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

3. That as of the time and date written below, the statements contained in the Official Statement relating to the Bonds dated March 26, 2012, under the captions "LEGAL AND TAX INFORMATION—Litigation" and "—Recent Developments in Non-Tort Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of such litigation, and are true and correct.

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

For DAN SATTERBERG,
King County Prosecuting Attorney

Kevin Wright
Chief Civil Deputy

ATTACHMENT C**ESCROW DEPOSIT AGREEMENT****KING COUNTY, WASHINGTON****SEWER REVENUE AND REFUNDING BONDS, 2012****LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
(PAYABLE FROM SEWER REVENUES), 2012**

THIS ESCROW DEPOSIT AGREEMENT, dated _____, 2012 (together with any amendments or supplements hereto, called the "Agreement"), is entered into by and between KING COUNTY, WASHINGTON (the "County") and U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent (together with any successor in that capacity, called the "Escrow Agent"). The notice addresses of the County and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

RECITALS:

WHEREAS, the County has issued and there presently remain outstanding the obligations described in Exhibits B-1 (the "Refunded Sewer Revenue Bonds") and B-2 (the "Refunded LTGO Sewer Bonds," and together with the Refunded Sewer Revenue Bonds, the "Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 17111 passed on June 20, 2011, and Motion _____ passed on March 26, 2012 (together, the "Bond Legislation"), the County has determined to issue its Sewer Revenue and Refunding Bonds, 2012 (the "Sewer Revenue Bonds") to provide funds for refunding the Refunded Sewer Revenue Bonds; and to issue its Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 2012 (the "LTGO Sewer Bonds," and together with the Sewer Revenue Bonds, the "Bonds") to provide funds for refunding the Refunded LTGO Sewer Bonds; and

WHEREAS, the Escrow Agent has reviewed this Agreement and the Bond Legislation, and is willing to serve as Escrow Agent; and

WHEREAS, pursuant to the Bond Legislation, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for that redemption, the Refunded Bonds will come due in the amounts and at the times set forth on Exhibit C; and

WHEREAS, the County desires that, concurrently with the delivery of the Bonds to the purchasers, a portion of the proceeds of the Bonds, together with certain other available funds of the County, be applied to purchase certain direct obligations of the United States of

America (hereinafter defined as the “Escrow Securities”) for deposit to the credit of the Refunding Account and to establish a beginning cash balance (if needed) in the Refunding Account; and

WHEREAS, when Escrow Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds will no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for that purpose;

WHEREAS, Grant Thornton LLP has prepared a verification report that is dated _____, 2012 (the “Verification Report”) relating to the sources and uses of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the County and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms have the meanings assigned to them below when used in this Agreement:

Escrow Securities means the noncallable Government Obligations described in Exhibit D, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are fully and unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America, or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

Paying Agent means the fiscal agency of the state of Washington, as the paying agent for the Refunded Bonds.

Refunding Account means the account authorized by the Bond Legislation to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.2. Other Definitions.

The terms "Agreement," "Bond Legislation," "Bonds," "County," "Escrow Agent," "Refunded Bonds" and "Verification Report" when they are used in this Agreement, have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrow Securities

Section 2.1. Deposits in the Refunding Account.

Concurrently with the sale and delivery of the Bonds the County shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, the funds sufficient to purchase the Escrow Securities, establish a cash balance, and pay costs of issuance described in Exhibit D, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the County in writing.

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

The Escrow Agent has created on its books a special trust account and irrevocable escrow to be known as the Refunding Account. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Refunding Account the funds and the Escrow Securities described in Exhibit D. This deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of those amounts at the times provided for in Section 3.2, and to pay those costs of issuance set forth on Exhibit D upon receipt of invoices. If any of the \$_____ deposit allocated for costs of issuance remains unspent by July 1, 2012, the Escrow Agent shall transfer that unspent amount to the County. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Account shall be transferred to the County, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Refunding Account, the amounts required to pay the principal of the Refunded Bonds at their redemption dates and interest thereon to such redemption dates in the amounts and at the times shown on Exhibit C.

Section 3.3. Sufficiency of Refunding Account.

The County represents that, based upon the information provided in the Verification Report, the receipts of principal of and interest on the Escrow Securities will assure that the cash balance on deposit from within the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds and the principal of the Refunded Bonds on the redemption dates, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2, the County shall timely deposit in the Refunding Account, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Account or the County's failure to make additional deposits.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Account, the Escrow Securities and all other assets of the Refunding Account wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrow Securities or any other assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrow Securities and other assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the County, and the Escrow Agent shall have no right or title with respect thereto except as an agent and Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrow Securities, and except as provided in Section 4.2, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrow Securities, or to sell, transfer, or otherwise dispose of the Escrow Securities.

Section 4.2. Substitution of Securities.

At the written request of the County, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, or sell, transfer, otherwise dispose of or request the redemption of the Escrow Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations that do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent receives a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the County in connection with such transaction; and (b) the Escrow Agent receives the unqualified written legal opinion of bond counsel or tax counsel to the effect that such transaction will not cause any of the Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Account. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The County hereby irrevocably calls the Refunded Bonds for redemption on the dates shown in the Verification Report and on Appendices A1 and A2 attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give notices of defeasance and notices of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of the ordinances authorizing the issuance of the Refunded Bonds and in substantially the forms attached hereto as Appendices A1 through B2. The notices of defeasance shall be given immediately following the execution of this Agreement, and the notices of redemption shall be given in accordance with the ordinances authorizing the issuance of the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notices of redemption and defeasance of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrow Securities deposited to the Refunding Account and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the County a written report summarizing all transactions relating to the Refunding Account during the preceding year, including, without limitation, credits to the Refunding Account as a result of interest payments on or maturities of the Escrow Securities and transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrow Securities and the cash balance on deposit in the Refunding Account as of the end of such period.

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrow Securities and the cash balances from time to time on deposit in the Refunding Account. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Refunding Account or any failure of the obligors of the Escrow Securities to make timely payment thereon, except for the obligation to notify the County promptly upon its becoming aware of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the County and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

It is the intention of the parties that the Escrow Agent shall never be required to risk use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Refunding Account, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the County at any time.

The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel.

Whenever in the administration of the provisions of this Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect

thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate signed by one of the officers of the County, and delivered to the Escrow Agent and such certificate, in the absence of negligence or bad faith on the part of the Escrow Agent, shall be full warrant to the Escrow Agent for any action taken, suffered or omitted by it under the provisions of this Agreement upon the faith thereof. The Escrow Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the County elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties

Section 8.3. Compensation.

The County shall pay to the Escrow Agent fees for performing the services hereunder pursuant to the terms of the Fee Schedule attached as Appendix C and shall reimburse the Escrow Agent for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement (including without limitation, legal fees and expenses). The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Refunding Account for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

If the Escrow Agent renders any service hereunder not provided for in this Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be compensated reasonably by the County for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby. The provisions of this Section 8.3 shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

Section 8.4. Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors shall resign or should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the County, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the County within 60 days, the retiring Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor, it may appoint a successor, or a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the County, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the County and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the County shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrow Securities and money held by the

Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the County or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the County, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the County and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the County, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the state of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's and Standard & Poor's.

In the event that this agreement or any provision thereof is severed, amended or revoked, the County shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds and to Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a New York corporation, 55 Water Street, New York, NY, 10041, Attention: Refunded Bonds Municipal Bond Department.

Section 9.8. Amendments.

This Agreement may not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall materially adversely affect the rights of the holders of the Refunded Bonds, and the Escrow Agent is entitled to receive and rely on an opinion of counsel to the effect that no such material adverse effect on the rights of the holders of the Refunded Bonds shall result from the execution of such amendment. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

KING COUNTY, WASHINGTON

Director of Finance and Business
Operations Division

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

Authorized Signatory

- Exhibit A - Addresses of the County and the Escrow Agent
- Exhibit B-1 - Description of the Refunded Sewer Revenue Bonds
- Exhibit B-2 - Description of the Refunded LTGO Sewer Bonds
- Exhibit C - Schedule of Debt Service on the Refunded Bonds
- Exhibit D - Escrow Deposit
- Exhibit E - Refunding Account Cash Flow
- Appendix A1 - Notice of Redemption for the Refunded 2004A Bonds
- Appendix A2 - Notice of Redemption for the Refunded 2005 Bonds
- Appendix B1 - Notice of Defeasance for the Refunded 2004A Bonds
- Appendix B2 - Notice of Defeasance for the Refunded 2005 Bonds
- Appendix C - Fee Schedule

EXHIBIT A
Addresses of the County and Escrow Agent

County: King County
500 Fourth Avenue
Seattle, Washington 98104
Attention: Senior Budget and Finance Analyst

Escrow Agent: U.S. Bank National Association

Seattle, WA
Attention:

EXHIBIT B-1
Description of the Refunded Sewer Revenue Bonds

King County, Washington
Sewer Revenue Bonds, 2004A

Sewer Revenue Bonds, 2004A

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2023	\$ 8,320,000	4.50	100	01/01/2014	495289KR0
	01/01/2024	8,685,000	4.50	100	01/01/2014	495289KS8
	01/01/2025	9,065,000	4.50	100	01/01/2014	495289KT6
	01/01/2026	9,465,000	4.50	100	01/01/2014	495289KU3
	01/01/2027	9,875,000	4.50	100	01/01/2014	495289KV1
	01/01/2028	10,310,000	4.50	100	01/01/2014	495289KW9
	01/01/2029	10,765,000	4.50	100	01/01/2014	495289KX7
	01/01/2030	11,240,000	4.50	100	01/01/2014	495289KY5
Term	01/01/2032	23,995,000	4.50	100	01/01/2014	495289KZ2
Serial	01/01/2033	12,805,000	4.75	100	01/01/2014	495289LA6
Term	01/01/2035	<u>27,450,000</u>	5.00	100	01/01/2014	495289LB4
Total		\$ 141,975,000				

EXHIBIT B-2
Description of the Refunded LTGO Sewer Bonds

King County, Washington
LTGO Sewer Bonds, 2005

Limited Tax General Obligation Bonds (Payable From Sewer Revenues), 2005

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2017	\$ 6,470,000	5.00	100	01/01/2015	49474EXG3
	01/01/2018	6,800,000	5.00	100	01/01/2015	49474EXH1
	01/01/2019	7,150,000	5.00	100	01/01/2015	49474EXJ7
	01/01/2020	7,515,000	5.00	100	01/01/2015	49474EXK4
	01/01/2021	7,900,000	5.00	100	01/01/2015	49474EXL2
	01/01/2022	8,305,000	5.00	100	01/01/2015	49474EXM0
	01/01/2023	8,730,000	5.00	100	01/01/2015	49474EXN8
	01/01/2024	9,175,000	5.00	100	01/01/2015	49474EXP3
	01/01/2025	9,650,000	5.00	100	01/01/2015	49474EXQ1
	01/01/2026	10,140,000	5.00	100	01/01/2015	49474EXR9
	01/01/2027	10,660,000	5.00	100	01/01/2015	49474EXS7
	01/01/2028	11,210,000	5.00	100	01/01/2015	49474EXT5
	01/01/2029	11,780,000	5.00	100	01/01/2015	49474EXU2
	01/01/2030	12,385,000	5.00	100	01/01/2015	49474EXV0
	01/01/2031	13,020,000	4.50	100	01/01/2015	49474EXW8
Term	01/01/2035	<u>59,110,000</u>	5.00	100	01/01/2015	49474EXX6
Total		\$ 200,000,000				

EXHIBIT C**Schedule of Debt Service on Refunded Sewer Revenue Bonds**

<u>Date</u>	<u>Interest</u>	<u>Principal/ Redemption Price</u>	<u>Total</u>
<hr/>			

Schedule of Debt Service on Refunded LTGO Sewer Bonds

<u>Date</u>	<u>Interest</u>	<u>Principal/ Redemption Price</u>	<u>Total</u>
<hr/>			

**EXHIBIT D
Escrow Deposit**

I. Cash \$

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Total Cost</u>
		\$		\$

III. Costs of Issuance

Bond Counsel fee (K&L Gates LLP)	\$
Moody's rating fee.....	
S&P rating fee.....	
County internal costs (King County Treasury).....	
Financial Advisor (Seattle-Northwest).....	
Escrow Verification fee (Grant Thornton)	
Escrow Agent fee (U.S. Bank National Association)	
POS/OS printing & mailing cost (Seattle-Northwest Securities Corporation/Alpha Graphics)	
Electronic POS (Seattle-Northwest Securities Corporation/i-Deal).....	
Contingency	
Total:.....	<u>\$</u>

EXHIBIT E
Refunding Account Cash Flow

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>

APPENDIX A1

Notice of Redemption*
King County, Washington
Sewer Revenue Bonds, Series 2004A

NOTICE IS HEREBY GIVEN that King County, Washington, has called for redemption on January 1, 2014, certain of its then outstanding Sewer Revenue Bonds, Series 2004A dated March 18, 2004 (the "Refunded 2004A Bonds").

The Refunded 2004A Bonds will be redeemed at a price of 100% of their principal amount, plus interest accrued to January 1, 2014. The redemption price of the Refunded 2004A Bonds is due and payable on January 1, 2014 upon presentation and surrender of the Refunded 2004A Bonds at the office of:

The Bank of New York Mellon
 Corporate Trust Dept Fiscal
 Agencies Unit
 101 Barclay Street, 7 West
 New York, NY 10286

-or-

Wells Fargo Bank, National
 Association
 Corporate Trust Department
 14th Floor - M/S 257
 999 Third Avenue
 Seattle, WA 98104

Interest on all Refunded 2004A Bonds or portions thereof that are redeemed shall cease to accrue on January 1, 2014.

The following are the Refunded 2004A Bonds being redeemed:

Sewer Revenue Bonds, 2004A

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2023	\$ 8,320,000	4.50	100	01/01/2014	495289KR0
	01/01/2024	8,685,000	4.50	100	01/01/2014	495289KS8
	01/01/2025	9,065,000	4.50	100	01/01/2014	495289KT6
	01/01/2026	9,465,000	4.50	100	01/01/2014	495289KU3
	01/01/2027	9,875,000	4.50	100	01/01/2014	495289KV1
	01/01/2028	10,310,000	4.50	100	01/01/2014	495289KW9
	01/01/2029	10,765,000	4.50	100	01/01/2014	495289KX7
	01/01/2030	11,240,000	4.50	100	01/01/2014	495289KY5
Term	01/01/2032	23,995,000	4.50	100	01/01/2014	495289KZ2
Serial	01/01/2033	12,805,000	4.75	100	01/01/2014	495289LA6
Term	01/01/2035	<u>27,450,000</u>	5.00	100	01/01/2014	495289LB4
Total		\$ 141,975,000				

* This notice shall be given not more than 60 nor less than 30 days prior to January 1, 2014, by first-class mail to each registered owner of the Refunded 2004A Bonds. In addition notice shall be provided at least 30 days prior to January 1, 2014 to the Municipal Securities Rulemaking Board; The Depository Trust Company of New York, New York; MBIA Insurance Corporation; Moody's Investors Service, and to Standard & Poor's Ratings Services.

The County and Escrow Agent are not responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

By Order of King County, Washington

U.S. Bank National Association, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX A2

**Notice of Redemption*
King County, Washington
LTGO Sewer Bonds, 2005**

NOTICE IS HEREBY GIVEN that King County, Washington, has called for redemption on January 1, 2012, certain of its then outstanding LTGO Sewer Bonds, 2005 dated April 21, 2005 (the "Refunded 2005 Bonds").

The Refunded 2005 Bonds will be redeemed at a price of 100% of their principal amount, plus interest accrued to January 1, 2015. The redemption price of the Refunded 2005 Bonds is due and payable on January 1, 2015 upon presentation and surrender of the Refunded 2005 Bonds at the office of:

U.S. Bank National Association
Corporate Trust Dept Fiscal
Agencies Unit
101 Barclay Street, 7 West
New York, NY 10286

-or-

Wells Fargo Bank, National
Association
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Refunded 2005 Bonds or portions thereof that are redeemed shall cease to accrue on January 1, 2015.

* This notice shall be given not more than 60 nor less than 30 days prior to January 1, 2015, by first-class mail to each registered owner of the Refunded 2005 Bonds. In addition notice shall be provided at least 30 days prior to January 1, 2015 to the Municipal Securities Rulemaking Board; The Depository Trust Company of New York, New York; Financial Security Assurance Inc.; Moody's Investors Service, and to Standard & Poor's Ratings Services.

The following are the Refunded 2005 Bonds being redeemed:

Limited Tax General Obligation Bonds (Payable From Sewer Revenues), 2005

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2017	\$ 6,470,000	5.00	100	01/01/2015	49474EXG3
	01/01/2018	6,800,000	5.00	100	01/01/2015	49474EXH1
	01/01/2019	7,150,000	5.00	100	01/01/2015	49474EXJ7
	01/01/2020	7,515,000	5.00	100	01/01/2015	49474EXK4
	01/01/2021	7,900,000	5.00	100	01/01/2015	49474EXL2
	01/01/2022	8,305,000	5.00	100	01/01/2015	49474EXM0
	01/01/2023	8,730,000	5.00	100	01/01/2015	49474EXN8
	01/01/2024	9,175,000	5.00	100	01/01/2015	49474EXP3
	01/01/2025	9,650,000	5.00	100	01/01/2015	49474EXQ1
	01/01/2026	10,140,000	5.00	100	01/01/2015	49474EXR9
	01/01/2027	10,660,000	5.00	100	01/01/2015	49474EXS7
	01/01/2028	11,210,000	5.00	100	01/01/2015	49474EXT5
	01/01/2029	11,780,000	5.00	100	01/01/2015	49474EXU2
	01/01/2030	12,385,000	5.00	100	01/01/2015	49474EXV0
Term	01/01/2035	59,110,000	4.50	100	01/01/2015	49474EXW8
Total		\$ 200,000,000				

The County and Escrow Agent are not responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

By Order of King County, Washington

U.S. Bank National Association, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B1*
Notice of Defeasance*
King County, Washington
Sewer Revenue Bonds, Series 2004A

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 2012, by and between King County, Washington (the "County") and U.S. Bank National Association (the "Escrow Agent"), the County has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the redemption date of such bonds so provided for, the principal thereof and interest thereon (the "2004A Defeased Bonds"), as evidenced by a verification agent's report delivered to the Escrow Agent. The 2004A Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance 14753 of the County, authorizing the issuance of the 2004A Defeased Bonds, but will be paid by application of the assets of such escrow account.

The 2004A Defeased Bonds are described as follows:

King County, Washington
Sewer Revenue Bonds, Series 2004A
(dated March 18, 2004)

Sewer Revenue Bonds, 2004A

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2023	\$ 8,320,000	4.50	100	01/01/2014	495289KR0
	01/01/2024	8,685,000	4.50	100	01/01/2014	495289KS8
	01/01/2025	9,065,000	4.50	100	01/01/2014	495289KT6
	01/01/2026	9,465,000	4.50	100	01/01/2014	495289KU3
	01/01/2027	9,875,000	4.50	100	01/01/2014	495289KV1
	01/01/2028	10,310,000	4.50	100	01/01/2014	495289KW9
	01/01/2029	10,765,000	4.50	100	01/01/2014	495289KX7
	01/01/2030	11,240,000	4.50	100	01/01/2014	495289KY5
Term	01/01/2032	23,995,000	4.50	100	01/01/2014	495289KZ2
Serial	01/01/2033	12,805,000	4.75	100	01/01/2014	495289LA6
Term	01/01/2035	<u>27,450,000</u>	5.00	100	01/01/2014	495289LB4
Total		\$ 141,975,000				

The Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any 2004A Defeased Bond. They are included solely for the convenience of the holders.

[Date]

U.S. Bank National Association, as Escrow Agent.

* This notice shall be given immediately by first-class mail to each registered owner of the 2004A Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; MBIA Insurance Corporation; U.S. Bank National Association, as Fiscal Agent; Moody's Investors Service, and to Standard & Poor's Ratings Services, and filed electronically with the Municipal Securities Rulemaking Board.

APPENDIX B2*

Notice of Defeasance* King County, Washington LTGO Sewer Bonds, 2005

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 2012, by and between King County, Washington (the "County") and U.S. Bank National Association (the "Escrow Agent"), the County has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the redemption date of such bonds so provided for, the principal thereof and interest thereon (the "2005 Defeased Bonds"), as evidenced by a verification agent's report delivered to the Escrow Agent. The 2005 Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance 15033 of the County, authorizing the issuance of the 2005 Defeased Bonds, but will be paid by application of the assets of such escrow account.

The 2005 Defeased Bonds are described as follows:

King County, Washington LTGO Sewer Bonds, 2005 (dated April 21, 2005)

Limited Tax General Obligation Bonds (Payable From Sewer Revenues), 2005

Bond Component	Maturity Date	Par Amount	Interest Rate (%)	Redemption Price (%)	Redemption Date	CUSIP Numbers
Serials	01/01/2017	\$ 6,470,000	5.00	100	01/01/2015	49474EXG3
	01/01/2018	6,800,000	5.00	100	01/01/2015	49474EXH1
	01/01/2019	7,150,000	5.00	100	01/01/2015	49474EXJ7
	01/01/2020	7,515,000	5.00	100	01/01/2015	49474EXK4
	01/01/2021	7,900,000	5.00	100	01/01/2015	49474EXL2
	01/01/2022	8,305,000	5.00	100	01/01/2015	49474EXM0
	01/01/2023	8,730,000	5.00	100	01/01/2015	49474EXN8
	01/01/2024	9,175,000	5.00	100	01/01/2015	49474EXP3
	01/01/2025	9,650,000	5.00	100	01/01/2015	49474EXQ1
	01/01/2026	10,140,000	5.00	100	01/01/2015	49474EXR9
	01/01/2027	10,660,000	5.00	100	01/01/2015	49474EXS7
	01/01/2028	11,210,000	5.00	100	01/01/2015	49474EXT5
	01/01/2029	11,780,000	5.00	100	01/01/2015	49474EXU2
	01/01/2030	12,385,000	5.00	100	01/01/2015	49474EXV0
	01/01/2031	13,020,000	4.50	100	01/01/2015	49474EXW8
Term	01/01/2035	<u>59,110,000</u>	5.00	100	01/01/2015	49474EXX6
Total		\$ 200,000,000				

* This notice shall be given immediately by first-class mail to each registered owner of the 2005 Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; Financial Security Assurance Inc.; U.S. Bank National Association, as Fiscal Agent; Moody's Investors Service, and to Standard & Poor's Ratings Services, and filed electronically with the Municipal Securities Rulemaking Board.

The Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any 2005 Defeased Bond. They are included solely for the convenience of the holders.

[Date]

U.S. Bank National Association, as Escrow Agent

APPENDIX C

Escrow Agent Fee