



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 20, 2003

Motion 11823

Proposed No. 2003-0399.2

Sponsors Phillips

1 A MOTION of the county council accepting a bond
2 purchase contract for the purchase of a combined offering
3 consisting of the county's Limited Tax General Obligation
4 Bonds, 2003, Series A in the aggregate principal amount of
5 \$27,605,000, and the county's Limited Tax General
6 Obligation and Refunding Bonds, 2003, Series B in the
7 aggregate principal amount of \$40,435,000, and
8 establishing certain terms of such bonds and a plan of
9 refunding.

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11

12 **PREAMBLE:**

13 Pursuant to Ordinance 14167, the county council authorized the issuance
14 of one or more series of its limited tax general obligation bonds in an
15 outstanding aggregate principal amount not to exceed \$125,000,000 to
16 provide long-term financing for the Courthouse Seismic Project, the North
17 Rehabilitation Facility Project and the Regional Communications and

18 Emergency Control Center Project, each defined and described in
19 Ordinance 14167, and further authorized the issuance and public sale of
20 one or more series of its limited tax general obligation bond anticipation
21 notes in an outstanding aggregate principal amount not to exceed
22 \$125,000,000 to provide interim financing for such projects pending the
23 issuance of the bonds.

24
25 Pursuant to Ordinance 14463, the county council amended Ordinance
26 14167 to revise the description of the North Rehabilitation Facility Project
27 and to augment the projects authorized to be financed, on a long-term
28 basis, by such bonds, and pending the sale of such bonds, on an interim
29 basis, by such bond anticipation notes by the addition of the Courthouse
30 Earthquake Repairs, all as defined and described in Ordinance 14463.

31
32 Pursuant to Ordinance 14745, the county council amended Ordinance
33 14167, as previously amended by Ordinance 14463, to add the Integrated
34 Security and Jail Health Remodel Project to the list of projects that are
35 authorized to be financed, on a long-term basis, by such bonds, and
36 pending the sale of such bonds, on an interim basis, by such bond
37 anticipation notes, and that the maximum outstanding aggregate principal
38 amount of such bonds and bond anticipation notes be increased to
39 \$145,000,000 as a result; and also to amend certain provisions of
40 Ordinance 14167, as previously amended by Ordinance 14463 (as so

41 amended, the “2003A Bond Ordinance”), pertaining to such bonds and
42 bond anticipation notes.

43
44 The 2003A Bond Ordinance provided that such bonds may be publicly
45 sold in one or more series, any of which may be sold in a combined
46 offering with other bonds of the county, either by negotiated sale or by
47 competitive bid, as determined by the Finance Manager in consultation
48 with the county’s financial advisor.

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50 Pursuant to Ordinance 14766 (the “2003B Bond Ordinance”), the county
51 council authorized the issuance of one or more series of its limited tax
52 general obligation bonds in an outstanding aggregate principal amount not
53 to exceed \$89,000,000 to finance or reimburse the county for the
54 Treemont Conservation Easement Acquisition Project and to refund, on a
55 current basis, all or a portion of the county’s Limited Tax General
56 Obligation Bonds (Various Purpose), 1993 Series A, and Limited Tax
57 General Obligation and Refunding Bonds (Various Purpose), 1993 Series
58 B.

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60 The 2003B Bond Ordinance provided that such bonds may be publicly
61 sold in one or more series, any of which may be sold in a combined
62 offering with other bonds of the county, either by negotiated sale or by

63 competitive bid, as determined by the Finance Manager in consultation
64 with the county's financial advisor.

65
66 The Finance Manager has determined that a series of the bonds authorized
67 pursuant to the 2003A Bond Ordinance, to be designated as the county's
68 Limited Tax General Obligation Bonds, 2003, Series A (the "2003A
69 Bonds") and a series of the bonds authorized pursuant to the 2003B Bond
70 Ordinance, to be designated as the county's Limited Tax General
71 Obligation and Refunding Bonds, 2003, Series B (the "2003B Bonds" and,
72 together with the 2003A Bonds, the "Bonds") be sold in a combined
73 offering by negotiated sale as provided herein.

74
75 None of the bonds authorized by the 2003A Bond Ordinance are currently
76 outstanding, but \$108,800,000 in aggregate principal amount of the bond
77 anticipation notes authorized by the 2003A Bond Ordinance are currently
78 outstanding, \$28,800,000 of which will be repaid and retired with
79 proceeds of the 2003A Bonds. The aggregate principal amount of all
80 bonds authorized by the 2003A Bond Ordinance, including the 2003A
81 Bonds, to be outstanding on the date of issuance of the 2003A Bonds will
82 be \$27,605,000, which amount does not to exceed the remainder of
83 \$145,000,000 less the aggregate principal amount of all bond anticipation
84 notes authorized by the 2003A Bond Ordinance to be outstanding on the
85 date of issuance of the 2003A Bonds.

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Pursuant to the 2003A Bond Ordinance and the 2003B Bond Ordinance,

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the Finance Manager has negotiated the sale of the Bonds to UBS

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Financial Services, Inc. and Siebert Brandford Shank & Co., LLC

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(collectively, the "Underwriters"), and a preliminary official statement

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dated October 13, 2003, has been prepared for the sale of the Bonds.

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It is in the best interest of the county that the Bonds be sold to the

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Underwriters on the terms set forth in the attached bond purchase contract,

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the 2003A Bond Ordinance, the 2003B Bond Ordinance and this motion.

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

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A. Definitions. Except as expressly authorized herein, terms used in this

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motion have the meanings set forth in the 2003A Bond Ordinance and the 2003B Bond

100

Ordinance.

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B. Approval of Bond Purchase Contract and Authorization of Bonds. The

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issuance of the 2003A Bonds, designated as the county's Limited Tax General Obligation

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Bonds, 2003, Series A, in the aggregate principal amount of \$27,605,000, and the 2003B

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Bonds, designated as the county's Limited Tax General Obligation and Refunding Bonds,

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2003, Series B, in the aggregate principal amount of \$40,435,000, and the terms and

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conditions thereof, as set forth in the bond purchase contract attached hereto as Exhibit A

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(the "Purchase Contract"), are hereby ratified and confirmed, and the Purchase Contract

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is hereby approved. The Bonds shall be dated, shall mature or be subject to mandatory

109 redemption, as applicable, on the dates in each of the years and in the amounts, and shall
110 bear interest at the rates and payable on the dates specified in the Purchase Contract. In
111 all other respects, the Bonds shall conform to the terms and conditions specified in the
112 Purchase Contract and Bond Ordinance, which terms are hereby ratified and confirmed.

113 The Bonds shall be subject to optional redemption as set forth in the Purchase
114 Contract.

115 C. Refunding of Refunded Bonds.

116 1. Plan of Refunding. The proper county officials are authorized to
117 carry out the Refunding Plan in accordance with Section 13 of the 2003B Bond
118 Ordinance. The amounts and maturities of the Refunded Bonds shall be as identified in
119 the Purchase Contract, which identification is hereby ratified and confirmed.

120 2. Escrow Trustee. The selection of U.S. Bank National Association
121 as Escrow Trustee is hereby ratified and confirmed.

122 3. Finding of Savings and Defeasance. The county council finds and
123 determines that a substantial savings will be effected by the difference between the
124 principal and interest cost over the life of the refunding portion of the 2003B Bonds and
125 the principal and interest cost over the life of the Refunded Bonds but for such refunding,
126 and that the Government Obligations to be deposited with the Escrow Trustee and the
127 income therefrom, together with any necessary beginning cash balance, are sufficient to
128 defease and redeem the above-referenced Refunded Bonds and will discharge and satisfy
129 the obligations of the county with respect to the Refunded 1993A Bonds under Ordinance
130 10685, the obligations of the county with respect to the Refunded 1993B Bonds under
131 Ordinance 11121, and the pledges of the county in each such ordinance. Immediately

132 upon delivery of such Government Obligations to the Escrow Trustee and the deposit of
133 any necessary beginning cash balance, the Refunded 1993A Bonds shall be deemed not
134 to be outstanding under Ordinance 10685 and the Refunded 1993B Bonds shall be
135 deemed not to be outstanding under Ordinance 11122, and such bonds shall cease to be
136 entitled to any lien, benefit or security under their respective ordinances except the right
137 to receive payment from the Government Obligations and beginning cash balance so set
138 aside and pledged.

139 D. Undertaking to Provide Ongoing Disclosure.

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

144 2. Financial Statements/Operating Data. The county agrees to
145 provide or cause to be provided to each nationally recognized municipal securities
146 information repository ("NRMSIR") and to the state information depository (the "SID"),
147 if any, in each case as designated by the commission in accordance with the rule, the
148 following annual financial information and operating data for the prior fiscal year
149 (commencing in 2004 for the fiscal year ended December 31, 2003):

150 (a) annual financial statements prepared in accordance with the
151 Budget Accounting and Reporting System ("BARS") prescribed by the Washington State
152 Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type
153 included in the official statement for the Bonds under the heading "Appendix B: Audited
154 2002 Financial Statements," which statements will not be audited, except that if and

155 when audited financial statements are otherwise prepared and available to the county they
156 will be provided;

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

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

161 (d) a summary of *ad valorem* property tax levy rates per
162 \$1,000 of assessed value and delinquency rates;

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

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

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

169 Such annual information and operating data described above shall be provided on
170 or before seven months after the end of the county's fiscal year. The county's fiscal year
171 currently ends on December 31. The county may adjust such fiscal year by providing
172 written notice of the change of fiscal year to each then existing NRMSIR and the SID, if
173 any. In lieu of providing such annual financial information and operating data, the
174 county may cross-reference to other documents provided to the NRMSIR, the SID or to
175 the commission, and, if such document is a final official statement within the meaning of
176 the rule, such document will be available from the Municipal Securities Rulemaking
177 Board (the "MSRB").

178 If not provided as part of the annual financial information discussed above, the
179 county shall provide the county's audited annual financial statement prepared in
180 accordance with BARS when and if available to each then existing NRMSIR and the
181 SID, if any.

182 3. Material Events. The county agrees to provide or cause to be
183 provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB,
184 notice of the occurrence of any of the following events with respect to the Bonds, if
185 material:

- 186 (a) principal and interest payment delinquencies;
- 187 (b) non-payment related defaults;
- 188 (c) unscheduled draws on debt service reserves reflecting
189 financial difficulties;
- 190 (d) unscheduled draws on credit enhancements reflecting
191 financial difficulties;
- 192 (e) substitution of credit or liquidity providers, or their failure
193 to perform;
- 194 (f) adverse tax opinions or events affecting the tax-exempt
195 status of the Bonds;
- 196 (g) modifications to rights of Bondholders;
- 197 (h) optional, contingent or unscheduled calls of any Bonds
198 other than scheduled sinking fund redemptions for which notice is given pursuant to
199 Exchange Act Release 34-23856;
- 200 (i) defeasances;

201 (j) release, substitution or sale of property securing repayment
202 of the Bonds; and

203 (k) rating changes.

204 Solely for purposes of disclosure, and not intending to modify this undertaking,
205 the county advises with reference to items (c) and (j) above that no debt service reserves
206 secure payment of the Bonds and no property secures repayment of the Bonds.

207 4. Notification Upon Failure to Provide Financial Data. The county
208 agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the
209 MSRB and to the SID, if any, notice of its failure to provide the annual financial
210 information described in subsection 2 above on or prior to the date set forth in subsection
211 2 above.

212 5. Termination/Modification. The county's obligations to provide
213 annual financial information and notices of material events shall terminate upon the legal
214 defeasance, prior redemption or payment in full of all of the Bonds. This section, or any
215 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally
216 recognized bond counsel to the effect that those portions of the rule which require this
217 section, or any such provision, are invalid, have been repealed retroactively or otherwise
218 do not apply to the Bonds; and (ii) notifies each then existing NRMSIR and the SID, if
219 any, of such opinion and the cancellation of this section.

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

223 In the event of any amendment or waiver of a provision of this section D, the
224 county shall describe such amendment in the next annual report, and shall include, as
225 applicable, a narrative explanation of the reason for the amendment or waiver and its
226 impact on the type (or in the case of a change of accounting principles, on the
227 presentation) of financial information or operating data being presented by the county. In
228 addition, if the amendment relates to the accounting principles to be followed in
229 preparing financial statements, (i) notice of such change shall be given in the same
230 manner as for a material event under subsection 3, and (ii) the annual report for the year
231 in which the change is made should present a comparison (in narrative form and also, if
232 feasible, in quantitative form) between the financial statements as prepared on the basis
233 of the new accounting principles and those prepared on the basis of the former accounting
234 principles.

235 6. Bond Owner's Remedies Under This Section. The right of any
236 Bond owner or beneficial owner of Bonds to enforce the provisions of this section shall
237 be limited to a right to obtain specific enforcement of the county's obligations hereunder,
238 and any failure by the county to comply with the provisions of this undertaking shall not
239 be an event of default with respect to the Bonds. For purposes of this section, "beneficial
240 owner" means any person who has the power, directly or indirectly, to vote or consent
241 with respect to, or to dispose of ownership of, any Bonds, including persons holding
242 Bonds through nominees or depositories.

243 E. Further Authority. The county officials, their agents, and representatives
244 are hereby authorized and directed to do everything necessary for the prompt issuance

245 and delivery of the Bonds and for the proper use and application of the proceeds of such
246 sale.

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

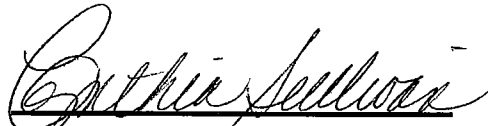
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252 deemed separable from the remaining covenants and agreements of this motion and shall
253 in no way affect the validity of the other provisions of this motion or of the Bonds.
254

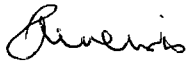
Motion 11823 was introduced on 9/2/2003 and passed by the Metropolitan King County Council on 10/20/2003, by the following vote:

Yes: 13 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons and Ms. Patterson
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Exhibit A-Bond Purchase Contract

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS, 2003, SERIES A \$27,605,000

**LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2003, SERIES B
\$40,435,000**

BOND PURCHASE CONTRACT

October 20, 2003

King County, Washington

Ladies and Gentlemen:

UBS Financial Services Inc. (the "Representative"), acting on behalf of itself and Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters"), offers to enter into this Bond Purchase Contract (together with the Exhibits, the "Contract") with King County, Washington (the "County"), regarding \$27,605,000 aggregate principal amount of the County's Limited Tax General Obligation Bonds, 2003, Series A (the "Series A Bonds") and \$40,435,000 aggregate principal amount of the County's Limited Tax General Obligation and Refunding Bonds, 2003, Series B (the "Series B Bonds," and, together with the Series A Bonds, the "Bonds"), 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 herein and to the County's acceptance by executing this Contract and delivering it to the Representative at or prior to 11:00 p.m. Pacific Time, on the date hereof. 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 hereof by the County. Upon acceptance of this offer in accordance with the terms hereof, this Contract will constitute a binding contract between the County and the Underwriters.

Unless otherwise defined herein, all capitalized terms used in this Contract shall have the meanings given them in the Bond Legislation (as defined in Section 3 of this Contract).

The County and the Underwriters hereby agree as follows:

1. PURCHASE AND SALE

On the terms and conditions and on the basis of the representations, warranties and covenants herein set forth, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to execute, sell and deliver to the Underwriters, all (but not less than all) of the Bonds. Proceeds of the Series A Bonds shall be used to pay the County's Limited Tax General Obligation Bond Anticipation Notes, 2003, Series B (issued to provide interim financing for certain County projects) and to pay costs of issuing the Series A Bonds. Proceeds of the Series B Bonds shall be used to provide funds to finance or reimburse the County for the

Treemont Conservation Easement Acquisition Project, to refund on a current basis \$13,205,000 principal amount of the County's Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A and \$20,255,000 principal amount of the County's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B, as described on Exhibit B attached hereto (collectively, the "Refunded Bonds"), and to pay costs of issuing the Series B Bonds.

The Bonds will be dated the date of their initial delivery to the Underwriters and are anticipated to be delivered to the Underwriters on October 30, 2003. The Bonds shall be fully registered as to both principal and interest, shall bear interest at the rates per annum calculated in such manner, payable as to principal and interest, and shall have such terms relating to redemption and other such provisions and terms as set forth in the Bond Legislation and as described on Exhibit A attached hereto.

The purchase price for the Series A Bonds shall be \$28,934,439.70, representing the par amount of the Series A Bonds plus original issue premium of \$1,441,865.60, less an underwriting discount of \$112,425.90 (the "Series A Purchase Price"), and the purchase price for the Series B Bonds shall be \$42,730,249.55, representing the par amount of the Series B Bonds plus original issue premium of \$2,442,901.75, less an underwriting discount of \$147,652.20 (the "Series B Purchase Price" and, together with the Series A Purchase Price, the "Purchase Price").

2. CLOSING

Subject to the terms and conditions hereof, the delivery of the Bonds and payment of the Purchase Price (the "Closing") shall take place at the King County Office of Finance at 9:00 a.m., Pacific Time, on October 30, 2003, or at such other time or place, or on such other day, as the Representative and the County shall agree. At the Closing:

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

(b) the Purchase Price shall be paid to the County in federal funds (by wire transfer or by any combination of one or more wires as may be agreeable to the County and the Representative), net of the premium for the Bond Insurance Policy, which the Representative shall pay directly by wire transfer to the Insurer; and

(c) the Bonds initially shall be held in fully registered form by The Depository Trust Company ("DTC") acting as depository pursuant to the terms and conditions set forth in the County's Blanket Issuer Letter of Representations with DTC. The Bonds shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds shall be delivered to DTC, at least one full business day before the Closing for purposes of inspection, unless an alternate arrangement (e.g., FAST closing) is made between the parties. The Bonds delivered hereunder shall bear proper CUSIP numbers to be obtained by the Underwriters (provided, however, that neither the printing of an incorrect CUSIP number on any Bond nor the failure to

print the CUSIP number thereon shall constitute cause for the Underwriters to refuse delivery of any Bond).

3. DELIVERIES TO BE MADE UPON ACCEPTANCE; DELIVERY OF OFFICIAL STATEMENT

At or prior to the time of the execution of this Contract, the County shall deliver to the Representative (a) copies of Ordinances 14167, 14463 and 14745 authorizing issuance of the Series A Bonds, Ordinance 14766 authorizing issuance of the Series B Bonds, and a motion of the King County Council approving the sale of the Bonds (the "Sale Motion," and, together with Ordinance 14167, as amended by Ordinances 14463 and 14745, and Ordinance 14766, the "Bond Legislation"), certified by the Clerk of the County Council to have been duly adopted by the County and to be in full force and effect, as amended, as of the date hereof, and (b) two copies of the preliminary official statement of the County dated October 13, 2003 (the "Preliminary Official Statement"), relating to the Bonds that the County has "deemed final" except as to certain specified items and that, together with the cover page thereof and all appendices, exhibits, reports and statements included therein or attached thereto and such amendments or supplements thereto as shall have been approved by the Representative as of the date hereof, is hereinafter referred to as the "Official Statement," executed by the Finance Manager.

As soon as possible, but in any event no more than seven business days after the time of the County's acceptance hereof, it shall deliver to the Underwriters as many copies of the Official Statement as required to permit the Underwriters to comply with the requirements of the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), including but not limited to the requirement that three copies of the Official Statement be delivered by the Underwriters to a nationally recognized municipal securities information repository ("NRMSIR"). The County hereby ratifies, approves and confirms the distribution and use of the Preliminary Official Statement by the Underwriters and authorizes the Underwriters to use and distribute the Official Statement in connection with the public offering and sale of the Bonds.

If, between the date of this Contract and the earlier to occur of (i) 60 days after the date of the Closing and (ii) 25 days after the "end of the underwriting period," as the term is used in paragraph (e)(2) of Rule 15c2-13, any event shall occur or any preexisting fact shall become known by the County that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the 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 date of the Closing unless the County is informed otherwise in writing by the Representative. If the Official Statement is supplemented or amended pursuant to this subsection, as of the date of each supplement or amendment thereto, to the best of the County's knowledge after due review and

investigation, 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 applicable) 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 and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Contract; (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 each of these documents. The execution, delivery and performance of this Contract and the Bonds and the passage of the Bond Legislation and the issuance of the Bonds thereunder, the execution and delivery by the County and the use by the Underwriters of the Official Statement and the consummation by the County of the transactions to which it is or is to be a party as contemplated hereby and by the Bond Legislation and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) By the Sale Motion, the County has entered into a written agreement or contract constituting an "Undertaking" to provide ongoing disclosure about the County for the benefit of the owners of the Bonds on or before the Closing as required by paragraph (b)(5)(i) of Rule 15c2-12, and in the form summarized in the Official Statement.

(c) This Contract, 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, will constitute, legal, valid and binding obligations of the County, enforceable in accordance with their terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. The performance by the County of its obligations contained in this Contract, the Official Statement and the Bonds and the consummation by it of all other transactions contemplated by each of those documents to have been performed or consummated at or prior to the Closing have been duly authorized and approved by the County. The Bond Legislation have been duly and lawfully passed by the County, are in full force and effect, as amended, and are valid and binding upon the County and enforceable in accordance with their terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. When delivered and paid for at the Closing, the Bonds will constitute valid, legally binding limited tax general obligations of the County to which, as will be stated thereon, the full faith, credit and resources of the County are pledged, and shall be subject only to the terms and conditions set forth in the Bond Legislation and described in the Official Statement. The issuance of the Bonds is permitted by,

and the Bonds when issued will be issued in compliance with, the provisions of the Bond Legislation.

(d) To the best of the knowledge of the County's Finance Manager or another authorized representative of the County acceptable to the Representative, 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, the issuance and sale of the Bonds and the consummation of the transactions contemplated hereby and by these documents will not in any material respect conflict with or constitute on the part of the County a material breach of or material default under any agreement, indenture, bond, note, statute, ordinance, resolution or other instrument to which the County is a party or to which it is bound or subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(f) Except as described in the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (either of the State of Washington or the United States Government) 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 the Bonds, the Bond Legislation or this Contract; (ii) the County's pledge under the Bond Legislation of ad valorem property taxes; (iii) the County's covenant in the Bond Legislation to include in its budget and levy the ad valorem property taxes, as provided therein; (iv) the accuracy, completeness or fairness of the Official Statement; or (v) the legal existence of the County, the title of its elected officers to their respective offices, or the County's legal ability 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 hereby or by the Bond Legislation or this Contract; to the best knowledge of the County's Finance Manager, 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 the Bond Legislation or this Contract.

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

(h) The Official Statement as of the date of this Contract is true and complete in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the information contained therein not misleading. However, no warranty need be given with respect to information under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX

INFORMATION - Tax Exemption for the Bonds” and the information concerning DTC in “Appendix E - Book-Entry System.”

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

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

(k) Any certificates signed by any authorized representative or other authorized officer or representative 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.

(l) 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 of America as may be designated by the Underwriters 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, however, 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 Underwriters’ use of the Bond Legislation, this Contract and the Official Statement in obtaining such qualifications.

(m) 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.

(n) The financial statements of the County contained in the Official Statement fairly present the financial position of the County as of the dates and for the periods therein set forth, such financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities in Washington State, except to the

extent described therein, and there has been no material adverse change in the financial position or results of operations of the County from those set forth in the Official Statement.

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 and the Official Statement.

(b) At the time of the Closing, (i) this Contract and the Bond Legislation shall be in full force and effect and shall not have been amended, modified or supplemented; (ii) this Contract shall be in full force and effect; (iii) the County shall perform or have performed all of its respective obligations required under or specified in this Contract and the Bond Legislation to be performed at or prior to the Closing; and (iv) 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 pledge 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. However, no warranty or representation need be made with respect to the information contained under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION - Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System."

(d) Subsequent to the respective dates as of which information is given in the Official Statement, and prior to the time of the Closing, no material adverse change, or any development involving a prospective material adverse change, in the condition of the County, financial or otherwise, shall have taken place (other than as referred to in or contemplated by the Official Statement), and if prior to the Closing such an event occurs the County shall promptly notify the Representative, and if in the opinion of the Representative and its counsel 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 shall have been true and complete on the date made and shall be true and complete at the time of the Closing with the same effect as if made at such time.

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

(i) An approving legal opinion of Gottlieb Fisher & Andrews, PLLC (“Bond Counsel”), dated the date of the Closing and addressed to the Underwriters, in substantially the form attached to the Official Statement as Appendix A.

(ii) A supplemental opinion of Bond Counsel dated the date of the Closing and addressed to the Underwriters, to the effect that (A) the County has the legal right, power and authority to adopt the Bond Legislation and to enter into this Contract; to issue, sell and deliver the Bonds; to perform its obligations under the Bond Legislation and this Contract and to carry out the transactions contemplated thereby; (B) the County has duly adopted the Bond Legislation and has duly approved, authorized and executed this Contract, and, assuming due execution and delivery of this Contract by the Underwriters, the Bond Legislation and this Contract constitute the legal, valid and binding obligations of the County, enforceable in accordance with their terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors’ rights; (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 create the valid pledges of ad valorem property taxes that they purport to create; (E) the County has duly authorized an appropriate representative to approve and execute the Official Statement; (F) no consent or approval of, or registration or filing with, any commission, board, authority, reimbursement body or instrumentality of the State of Washington is or was required in connection with any of the actions of the County described in the preceding clauses hereof, except such consents, approvals, registrations or filings as have been obtained on or prior to this date, nor is any election or referendum of voters required in connection therewith; provided, however, that no opinion is to be provided with respect to compliance with any Blue Sky laws; (G) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and the Bond Legislation are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”); and (H) the statements contained in the Official Statement under the captions “THE BONDS” (except under the caption “Book-Entry System”), “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” “INITIATIVE AND REFERENDUM” and “LEGAL AND TAX INFORMATION” (except under the caption “Litigation”), insofar as such statements contained under such captions purport to summarize certain provisions of the Bonds, the Bond Legislation and this Contract are true and correct and that based solely upon their participation as Bond Counsel in certain conferences with representatives of the County, the Underwriters, the financial advisors to the County and Underwriters’ counsel during which conferences the contents of such 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, no facts came to the attention of the attorneys of such counsel rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date (except for information concerning DTC, the book-entry system and Appendix E to the Official Statement and any references to such information set forth in the Official Statement, and other financial, demographic and statistical data and projections included in the Official Statement, as to all of which no opinion need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented prior to the date of the Closing (except as aforesaid) as of the date of the Closing contains, any untrue statement of a material

fact or that the Official Statement omitted as of its date, or that the Official Statement as so amended or supplemented omits as of the date of the Closing, 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 or are made, not misleading. Such supplemental opinion may be subject to laws relating to bankruptcy, insolvency, reorganization or moratorium by other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with principles of equity.

(iii) An opinion of Bond Counsel dated the date of the Closing and addressed to the County and the Escrow Agent to the effect that, upon the issuance of the Series B Bonds, the Refunded Bonds are defeased in accordance with the ordinances authorizing their issuance, are deemed no longer outstanding thereunder and are no longer entitled to any lien, benefit or security thereunder;

(iv) An opinion, dated the date of the Closing and addressed to the Underwriters, of Preston Gates & Ellis LLC ("Underwriters' Counsel") to the effect that (A) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act, and Section 304(a)(4)(A) of the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register any securities under the Securities Act or to qualify the Bond Legislation under the Trust Indenture Act; (B) the County's undertaking to provide certain continuing disclosure information pursuant to paragraph (b)(5) of Rule 15c-12 provides a suitable basis for the Underwriters reasonably to determine, pursuant to paragraph b(5)(i) of the Rule, that the County has undertaken in a written agreement or contract for the benefit of the holders of the Bonds, to provide the annual financial information and notices required by the Rule; and (C) based upon their examination of information made available to them in the course of their participation in the preparation of the Official Statement as Underwriters' Counsel and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel have no reason to believe that the Official Statement as of the Closing contains any untrue statement of a material fact 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 (except that no opinion or belief need be expressed as to any financial, economic or statistical data contained in the Official Statement or as to the information set forth in the Official Statement under the captions "THE BONDS - Book-Entry System" and the information concerning DTC in "Appendix E - Book-Entry System"). In rendering the opinion provided above, Underwriters' Counsel may rely upon the unqualified approving opinion of Bond Counsel, to the extent that such opinion addresses the validity of the Bonds, the Bond Legislation and the governmental status of the County.

(v) An opinion of a County Prosecuting Attorney, dated the date of the Closing and addressed to the Underwriters, based on such inquiry and investigation as he or she has deemed sufficient, to the effect that except as disclosed in the Official Statement, (A) there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the pledges of taxes 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; (B) the statements contained in the Official Statement under the caption "LEGAL AND TAX INFORMATION - 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; (C) to the best of such counsel's knowledge, neither the execution nor delivery by the County of this Contract or the Bonds, nor the adoption by the County of the Bond Legislation, nor the compliance by the County with the terms and conditions hereof and thereof have resulted or will result in either (i) a conflict with or a breach of any of the terms or provisions of any writ, injunction or decree of any court, or (ii) a breach under the terms or provisions of any agreement by which the County is bound, which conflict or breach would have a material effect on the County's authority to provide for the timely payment of the principal of and interest on the Bonds; and (D) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

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

(vii) A copy of the municipal bond insurance policy issued by MBIA Insurance Corporation with respect to the Series A Bonds maturing in 2018 through 2021 (the "Insured Bonds"), an enforceability opinion of counsel to the Insurer, addressed to the Underwriters, and a certificate of the Insurer, addressed to the Underwriters, to the effect that the information in the Official Statement regarding the Insurer and its municipal bond insurance policy is accurate and complete in all material respects for the purposes for which provided.

(viii) Evidence satisfactory to the Representative that the Insured Bonds have been rated "Aaa" by Moody's and "AAA" by Standard & Poor's, based on the delivery of the municipal bond insurance policy described in paragraph (vii) above, and that the Bonds have underlying ratings of "Aa1" by Moody's and "AA+" by Standard & Poor's.

(ix) A certificate or certificates of the County executed by the Finance Manager or other authorized officer or representative of the County, dated the date of the Closing, to the effect that on the date of this Contract and as of the date of Closing (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 date of the Closing with the same effect as if made at the time of the Closing; (B) to the best of his or her knowledge, the Official Statement as of the date of this Contract and as of the date of the Closing, 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 captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION - Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System"); (C) that the County is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations for borrowed money of the County; (D) nothing has come to his or her attention to lead him or her to believe that the financial information and statistical data in the Official Statement contain any

untrue statement of a material fact or omits or fail to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (however, no warranty or representation need be made with respect to the information contained under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION-Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System"); (E) the County has never defaulted in the payment of principal or interest on any of its obligations for borrowed money; and (F) to the best of his or her knowledge, the County has complied in all material respects with all agreements and satisfied in all material respects all conditions contemplated by this Contract and the Bond Legislation on its part to be performed or satisfied at or prior to the delivery of the Bonds.

(x) A certificate signed by the Finance Manager setting forth facts, estimates and circumstances (including covenants of the County) in existence on the date 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 the 1986, as amended, and stating that to the best of his or her knowledge and belief, there are not other facts, estimates or circumstances that would adversely affect such expectations.

(xi) An executed copy of the Escrow Agreement.

(xii) A DTC Blanket Issuer Letter of Representations, executed by the County and accepted by DTC.

(xiii) Verification by Grant Thornton LLP, independent certified public accountants, of the mathematical accuracy of computations showing the sufficiency of the maturing principal of and interest on obligations purchased with proceeds of the Series B Bonds, together with any other amounts deposited for such purpose, to pay the principal of and interest on the Refunded Bonds and to cause the Refunded Bonds to be deemed paid and no longer outstanding.

(xiv) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the accuracy, as of the date hereof 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 Section 5 shall be satisfactory in form and substance to the Representative and to Underwriters' Counsel; provided, however, that approval of such form and substance shall not be unreasonably withheld.

6. TERMINATION OF CONTRACT

The Underwriters shall have the right in their 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 hereof 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 of America 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 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 National Association of Securities Dealers, Inc. (the "NASD"), 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 banking moratorium shall have been established by the United States or New York or Washington State authorities.

(f) Any amendment to the Constitution of the United States of America, any legislation enacted by the United States of America, any decision of any court of the United States of America, 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 are not exempt from qualification under the Trust Indenture Act.

(g) Any rating of the Bonds or any other general obligations of the County shall have been downgraded or withdrawn by a national rating service, which event, in the Representative's opinion, materially adversely affects the market price 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.

(h) 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 to the Underwriters of the Bonds, 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 be under no obligation or liability under this Contract (except to the extent provided in section 8 hereof), and the Underwriters shall be under no obligation or liability to the County.

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 but not limited to (i) the costs of preparation and printing of the Bonds and the Bond Legislation, preparation, printing and distribution of the Official Statement, and preparation of all other documents prepared by the County or its counsel; (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, without limitation and the fees of the financial advisors to the County; and (vii) any other expenses and costs, including costs and expenses of credit enhancement, if any, 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, the NASD or any NRMSIR; (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 Underwriters 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 Underwriters' Counsel.

9. INDEMNIFICATION

To the extent permitted by law, the County shall indemnify and hold harmless the Underwriters, each of their partners, officers and employees and each person who controls any of the Underwriters within the meaning of Section 15 of the Securities Act any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) a determination that the Bonds should have been registered under the Securities Act or the Bond Legislation should have been qualified under the Trust Indenture Act, or (ii) any untrue statement of a material fact contained in the Official Statement and 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 section 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, however, 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 King County Finance and Business Operations Division, 500 Fourth Avenue, Seattle, Washington, 98101, Attention: Manager, and any such notice or other communication to be given to the Representative or the Underwriters may be given by delivering the same in writing to UBS Financial Services Inc., 777 South Figueroa Street, Los Angeles, California 90017, Attention: Jeffrey D. Bower.

11. GENERAL

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

12. WAIVERS

Notwithstanding any provision herein 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 their discretion.

13. EFFECTIVENESS OF CONTRACT

This Contract shall become effective upon the execution hereof by the Finance Manager and the execution of the acceptance hereof by the Representative and shall be valid and enforceable as of the time of such execution and acceptance.

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.

15. 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.

Respectfully submitted,

UBS FINANCIAL SERVICES INC. and
SIEBERT BRANDFORD SHANK & CO.,
LLC

By UBS FINANCIAL SERVICES INC.
as Representative

By: _____
Authorized Officer

By: _____
Authorized Officer

Accepted October 20, 2003

KING COUNTY, WASHINGTON

By: _____
Robert V. Cowan
Director of Finance and Business Operations
Division

EXHIBIT A

**King County, Washington
Limited Tax General Obligation Bonds, 2003, Series A**

Maturity (June 1)	Principal Amount	Interest Rate	Yield
2004	\$ 810,000	2.00%	1.15%
2005	940,000	2.00	1.45
2006	960,000	2.00	1.78
2007	980,000	2.50	2.22
2008	1,005,000	3.00	2.61
2009	1,050,000	5.00	2.95
2010	1,105,000	5.00	3.30
2011	1,160,000	5.00	3.58
2012	1,215,000	4.00	3.83
2013	1,270,000	5.00	3.98
2014	1,335,000	5.25	4.10
2015	1,405,000	5.25	4.22
2016	1,485,000	5.25	4.32
2017	1,565,000	5.25	4.43
2018	1,650,000	5.25	4.45
2019	1,735,000	5.25	4.54
2020	1,830,000	5.25	4.63
2021	1,930,000	5.25	4.72
2022	2,035,000	5.25	4.86
2023	2,140,000	5.25	4.93

**King County, Washington
Limited Tax General Obligation and Refunding Bonds, 2003, Series B**

Maturity (June 1)	Principal Amount	Interest Rate	Yield
2004	\$ 3,150,000	2.00%	1.15%
2005	6,165,000	4.00	1.45
2006	2,000,000	2.25	1.78
2006	4,435,000	5.00	1.78
2007	6,130,000	5.00	2.22
2008	2,900,000	5.00	2.61
2009	3,050,000	5.00	2.95
2010	3,205,000	5.00	3.30
2011	1,000,000	3.50	3.58
2011	2,365,000	5.00	3.58
2012	390,000	4.00	3.83
2013	405,000	4.00	4.00
2014	425,000	4.10	4.15

Maturity (June 1)	Principal Amount	Interest Rate	Yield
2015	440,000	4.20	4.27
2016	460,000	4.25	4.38
2017	480,000	4.375	4.48
2018	505,000	4.50	4.58
2019	525,000	4.60	4.68
2020	555,000	5.25	4.70
2021	585,000	5.25	4.79
2022	615,000	5.25	4.86
2023	650,000	5.25	4.93

The Bonds will be dated and bear interest from October 30, 2003, calculated on the basis of a 360-day year consisting of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing June 1, 2004, to their stated dates of maturity or prior redemption.

Optional Redemption. Bonds maturing on and after June 1, 2014, are subject to optional redemption in whole or in part at any time on or after December 1, 2013, at par plus accrued interest.

EXHIBIT B

Refunded Bonds

King County, Washington Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A

<u>Maturity (December 1)</u>		<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Call Date</u>	<u>Redemption Price</u>
2004	\$	3,025,000	5.60%	12/1/2003	100%
2005		3,200,000	5.70	12/1/2003	100
2006		3,390,000	5.80	12/1/2003	100
2007		3,590,000	5.90	12/1/2003	100

King County, Washington Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B

<u>Maturity (January 1)</u>		<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Call Date</u>	<u>Redemption Price</u>
2005	\$	2,905,000	4.625%	1/1/2004	100%
2006		3,055,000	4.75	1/1/2004	100
2007		2,595,000	4.875	1/1/2004	100
2008		2,725,000	5.00	1/1/2004	100
2009		2,855,000	4.50	1/1/2004	100
2010		2,990,000	4.50	1/1/2004	100
2011		3,130,000	4.50	1/1/2004	100