NON-CODE

CITY OF REDMOND
ORDINANCE NO. 2577

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, RELATING TO THE INCURRENCE OF INDEBTEDNESS; AUTHORIZING THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION BONDS, 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000 TO OBTAIN PART OF THE FUNDS NECESSARY FOR PARKS AND OPEN SPACE PROPERTY ACQUISITION; PROVIDING FOR THE DATE, DENOMINATIONS, FORM, TERMS, REGISTRATION PROVISIONS, MATURITIES, INTEREST RATES AND COVENANTS OF SUCH BONDS; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL THEREOF AND THE INTEREST THEREON; PROVIDING FOR THE NEGOTIATED SALE AND DELIVERY OF SUCH BONDS TO SEATTLE-NORTHWEST SECURITIES CORPORATION, SEATTLE, WASHINGTON; ESTABLISHING FUNDS FOR THE RECEIPT AND EXPENDITURE OF BOND PROCEEDS AND FOR THE PAYMENT OF THE BONDS; AND PROVIDING FOR THE DISPOSITION OF THE BOND PROCEEDS

WHEREAS, the City of Redmond, Washington (the "City") has determined that, pursuant to the City's Parks, Arts, Recreation, Culture and Conservation Plan, it is in the best interests of the residents of the City to acquire property for a Downtown Central Park and other City parks and open space projects in the City's Capital Investment Program for 2011-2016; and

WHEREAS, the City Council deems it necessary and advisable that the City incur indebtedness and issue its limited tax general obligation bonds in an aggregate principal amount not to exceed $10,000,000 to obtain part of the funds necessary for the Project (hereinafter defined); and

WHEREAS, the incurrence of such indebtedness will not cause the total indebtedness of the City incurred without the assent of the voters of the City to exceed the limitations set forth in chapter 39.36 RCW; and

WHEREAS, the City Council deems it necessary and advisable that the City negotiate the sale of such limited tax general obligation bonds to Seattle-Northwest Securities Corporation (the "Purchaser") upon the terms and conditions set forth in a Purchase Agreement to be entered into by and between the City and the Purchaser in substantially the form attached as Exhibit A hereto (the "Purchase Agreement").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Finding. The City Council hereby finds that the acquisition of property for a Downtown Central Park and other City parks and open space projects in the City's Capital Investment Program for 2011-2016 will be in the best interest of the City.

Section 2. Authorization, Purpose and Description of Bonds. The City authorizes the incurrence of indebtedness and issuance of its "Limited Tax General Obligation Bonds, 2011" (the "Bonds") for the purpose of obtaining part of the funds necessary to acquire property for a Downtown Central Park and other City parks and open space projects in the City's Capital

Investment Program for 2011-2016 and to pay "incidental costs and costs related to the sale and issuance" (as defined in RCW 39.46.070) of the Bonds (the "Project").

The Bonds shall be issued in an aggregate principal amount not to exceed $10,000,000, shall be dated as of such date, and shall mature on the dates and in the principal amounts, all as set forth in the Purchase Agreement. The Bonds shall be issued in fully registered form as to both principal and interest, shall be in the denomination of $5,000 each or any integral multiple thereof within a single maturity, and shall be numbered separately in such manner and with any additional designation as the fiscal agency of the State of Washington (the "State") located in New York, New York (the "Registrar"), may deem necessary for purpose of identification.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable on June 1, 2011, and semiannually thereafter on December 1 and June 1 of each year to their maturity at the rates set forth in the Purchase Agreement.

The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and RCW 62A.8-105.

On the date of issue of the Bonds, all Bonds maturing in the same maturity year and bearing the same initial CUSIP number shall be issued in the form of a single certificate, which certificate shall be registered in the name of The Depository Trust Company or any successor thereto engaged to operate a book-entry system for recording the beneficial ownership of the Bonds, as Custodian (the "Custodian"), or its nominee, and delivered to the Custodian. The Custodian shall hold each such Bond certificate in fully immobilized form for the benefit of the beneficial owners of the Bonds (the "Beneficial Owners") pursuant to the Letter of Representations (the "Letter of Representations"), from the City and the Registrar to the Custodian pertaining to the payment of the Bonds and the book-entry system, until the earliest to occur of either (1) the date of maturity of the Bonds evidenced by such certificate, at which time the Custodian shall surrender such certificate to the Registrar for payment of the principal of and interest on such Bonds coming due on such date, and the cancellation thereof; (2) the fifth business day following the date of receipt by the Registrar of the City's request to terminate the book-entry system of registering the beneficial ownership of the Bonds (the "Book-Entry Termination Date"); or (3) the date the City determines to utilize a new Custodian for the Bonds, at which time the old Custodian shall (provided the City is not then in

default of any payment then due on the outstanding Bonds) surrender the immobilized certificates to the Registrar for transfer to the new Custodian and cancellation as herein provided.

For so long as any outstanding Bonds are registered in the name of the Custodian or its nominee and held by the Custodian in fully immobilized form as described in this Section 2, the rights of the Beneficial Owners shall be evidenced solely by an electronic and/or manual entry made from time to time on the records established and maintained by the Custodian in accordance with the Letter of Representations, and no certificates evidencing such Bonds shall be issued and registered in the name of any Beneficial Owner or such Beneficial Owner's nominee.

The City may terminate the "book-entry" system of registering ownership of the Bonds at any time (provided the City is not then in default of any payment then due on the outstanding Bonds) by delivering to the Registrar: (a) a written request that it issue and deliver Bond certificates to each Beneficial Owner or such Beneficial Owner's nominee on the Book-Entry Termination Date; (b) a list identifying the Beneficial Owners as to both name and address; and (c) a supply of Bond certificates, if necessary, for such purpose. Upon surrender to the Registrar of the immobilized certificates

evidencing all of the then outstanding Bonds, the Registrar shall issue and deliver new certificates to each Beneficial Owner or such Beneficial Owner's duly appointed agent, naming such Beneficial Owner or such Beneficial Owner's nominee as the registered owner (the "Owner") thereof. Such certificates may be in any integral multiple of $5,000 within a single maturity. Following such issuance, the Owners of such Bonds may transfer and exchange such Bonds in accordance with Section 9 hereof.

Neither the City nor the Registrar shall have at any time any responsibility or liability to any Beneficial Owner of any Bonds or to any other person for any error, omission, action or failure to act on the part of the Custodian with respect to payment, when due, to the Beneficial Owner of the principal and interest on the Bonds, proper recording of beneficial ownership of Bonds, proper transfers of such beneficial ownership, or any notices to Beneficial Owners or any other matter pertaining to the Bonds.

Section 3. Place, Manner and Medium of Payment. Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Prior to the Book-Entry Termination Date, the principal of and interest on the Bonds shall be paid by the Registrar to the Custodian as the Owner thereof, for the benefit of the Beneficial Owners thereof, in accordance with the Letter of Representations.

From and after the Book-Entry Termination Date, interest on the Bonds shall be paid by check or draft mailed on or before the interest payment date, to the persons identified as the Owners on the fifteenth day of the month preceding the interest payment date at the addresses shown for the Owners on the registration books for the Bonds (the "Bond Register") maintained by the Registrar; provided, however, that if so requested in writing by the Owner of at least $1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the interest payment date to an account with a bank located in the United States. From and after the Book-Entry Termination Date, the principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the Owners at the principal corporate trust office of the Registrar.

Section 4. No Redemption; Purchase and Cancellation. The Bonds are not subject to redemption prior to maturity. The City reserves the right to purchase any or all of the Bonds at any time and at any price. All Bonds purchased by the City shall be surrendered to the Registrar for cancellation.

Section 5. Debt Limit Not Exceeded. The City finds and covenants that the Bonds are issued within all constitutional and statutory debt limitations presently applicable to the City.

Section 6. *Pledge of Full Faith, Credit and Resources.* The Bonds are limited tax general obligations of the City. The City hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, so long as any Bonds are outstanding, it will include in its budgets and make annual levies of taxes within the constitutional and statutory tax limitations provided by law without a vote of the voters of the City upon all property within the City subject to taxation in amounts which, together with any other money legally available therefore, shall be sufficient to pay the principal of and interest on the Bonds as the same shall become due. The City hereby irrevocably pledges its full faith, credit and resources to the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 7. Form and Execution of Bonds. The Bonds shall be typewritten, printed or lithographed on good bond paper in a form consistent with this Ordinance and State law.

The Bonds shall be signed on behalf of the City with the facsimile or manual signatures of the Mayor and the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted thereon.

In case either or both of the officers who shall have executed any Bond shall cease to be such officer or officers of the City before the Bond so signed shall have been authenticated

or delivered by the Registrar or issued by the City, such Bond nevertheless may be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond also may be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond such persons were not such officers of the City.

Section 8. Authentication of Bonds by Registrar. The Registrar is authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of such Bonds and this Ordinance.

Only such Bonds as shall bear thereon a "Certificate of Authentication" manually executed by an authorized signatory of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

Section 9. Registration; Transfer and Exchange. The City covenants that, until all Bonds shall have been surrendered and cancelled, it will cause the Registrar to maintain a system of recording the ownership of each Bond that complies with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). To that end, the Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust office.

The City and the Registrar, each in its discretion, may deem and treat the Owner of each Bond as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3 hereof, but such registration may be transferred as herein provided. All such payments made as provided in Section 3 hereof shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

The registered ownership of any Bond may be transferred. Prior to the Book-Entry Termination Date, the beneficial ownership of the Bonds may only be transferred on the records established and maintained by the Custodian. On and after the Book-Entry Termination Date, no transfer of any Bond shall be valid unless it is surrendered at the principal corporate trust office of the Registrar, with the assignment form appearing on such Bond duly executed by the Owner or such Owner's duly

authorized agent, in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Owner or transferee therefore (other than governmental fees or taxes payable on account of such transfer), a new Bond or Bonds (at the option of the new Owner), of the same maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, naming as Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond.

On and after the Book-Entry Termination Date, any Bond may be surrendered at the principal corporate trust office of the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds, in any authorized denomination. The Registrar shall not be obligated to transfer or exchange any Bond during the 15 days preceding any applicable interest payment or principal payment date.

The Registrar may become the Owner of any Bond with the same rights it would have if it were not the Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the Bonds.

Section 10. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of the same maturity and interest rate and of like tenor and effect in substitution therefore, all in accordance with law. If such mutilated, lost, stolen or destroyed Bond has matured, the City at its option may pay the same without the surrender thereof. However, no such substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Registrar of the destruction or loss of the original Bond and of the ownership thereof, and (b) such additional security, indemnity or evidence as may be required by or on behalf of the City. No substitute Bond shall be furnished unless the applicant shall reimburse the City and the Registrar for their respective expenses in the furnishing thereof. Any such substitute Bond so furnished shall be equally and proportionately entitled to the security of this Ordinance with all other Bonds issued hereunder.

Section 11. Defeasance. If money and/or "Government Obligations" (as such obligations are defined in chapter 39.53 RCW, as now in existence or hereafter amended) maturing at such times(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments which shall be sufficient, together with any money initially

deposited, to provide for the payment of all of the principal of and interest on all or a designated portion of the Bonds, when due in accordance with their respective terms and in accordance with a refunding plan adopted by the City, are set aside in a special fund (hereinafter called the "trust account") to effect such payment and are pledged irrevocably for the purpose of effecting such payment, then no further payments need be made into the Bond Fund (hereinafter defined) for the payment of the principal of and the interest on such Bonds, the Owners thereof shall cease to be entitled to any lien, benefit or security of this Ordinance except for the right to receive the money and the principal and interest proceeds on the obligations set aside in the trust account, and such Bonds shall no longer be deemed to be outstanding hereunder.

Section 12. Preliminary Official Statement. The City Council hereby authorizes and directs any one or more of the Mayor or the City Finance Director (each, an "Authorized Officer"): (a) to review and approve the information contained in a preliminary official statement to be prepared in connection with the sale of the Bonds (the "Preliminary Official Statement"); and (b) for the sole purpose of compliance by the Purchaser with Securities and Exchange Commission (the "SEC") Rule 15c2-12 ("Rule 15c2-12"), to "deem final" the Preliminary Official Statement as of its date, except for the omission of

information dependent upon the pricing of the issue and the completion of the Purchase Agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, and other terms of the Bonds dependent on the foregoing matters. After the Preliminary Official Statement has been reviewed and approved in accordance with the provisions of this section, the City hereby authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds.

The City Council hereby further authorizes and directs any one or more of the Authorized Officers to review and approve on behalf of the City a final official statement with respect to the Bonds following the sale of the Bonds (the "Final Official Statement"). The City agrees to cooperate with the Purchaser to deliver or cause to be delivered, within seven business days from the date of the Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, copies of the Final Official Statement in sufficient quantity to comply with subsection (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

Section 13. Negotiated Sale of the Bonds. The City Council hereby authorizes and directs any one or more of the Authorized Officers to negotiate the sale of the Bonds to the

Purchaser. The Bonds shall be sold pursuant to the Purchase Agreement, the terms and conditions of which the City Council hereby accepts and approves; provided, that the sale date of the Bonds shall be no later than 120 days following the effective date of this Ordinance. The Bonds shall be in the aggregate principal amount, mature on such dates, bear interest at such rates per annum, bear such date(s), and be sold at such purchase prices as are set forth in the Purchase Agreement; provided, that:

(a) The aggregate principal amount of the Bonds shall not exceed $10,000,000;

(b) The true interest cost for the Bonds shall not exceed 3.50%; and

(c) The final maturity of the Bonds shall be not later than December 1, 2021.

The City Council hereby authorizes and directs any one or more of the Authorized Officers to execute, for and on behalf of the City, the Purchase Agreement for the Bonds conforming to the requirements of this Ordinance, with such changes as the Authorized Officer(s) executing the same may deem necessary or appropriate and not inconsistent with the provisions of this Ordinance, and to deliver the same to the Purchaser.

Section 14. Delivery of Bonds; Temporary Bonds; Closing. The Bonds will be prepared at City expense and will be delivered

to the Purchaser on the date established for closing (the "Closing") in accordance with the terms of the Purchase Agreement, together with the approving legal opinion of Gottlieb Fisher PLLC, bond counsel, Seattle, Washington, relative to the issuance of the Bonds. Bond counsel has not been engaged to participate in the preparation or review of, or express any opinion concerning the completeness or accuracy of, any official statement or other disclosure documentation used in connection with the offer or sale of the Bonds by any person, and bond counsel's opinion shall so state. Bond counsel has not been retained to monitor, and shall not be responsible for monitoring, the City's compliance with any federal law or regulations to maintain the tax-exempt status of the interest on the Bonds.

If definitive Bonds are not ready for delivery by the Closing, the City Finance Director, upon the approval of the Purchaser, may cause to be issued and delivered to the Purchaser one or more temporary Bonds with appropriate omissions, changes and additions. Any temporary Bond or Bonds shall be entitled and subject to the same benefits and provisions of this Ordinance with respect to the payment, security and obligation thereof as definitive Bonds authorized hereby. Such temporary Bond or Bonds shall be exchangeable without cost to the Owners

thereof for definitive Bonds when the latter are ready for delivery.

The Authorized Officers are authorized and directed to execute and/or approve, as appropriate, all documents and to take all actions necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds, and the printing, execution and prompt delivery of the Bonds to the Purchaser and for the proper application and use of the proceeds of the sale thereof.

Section 15. Establishment of Bond Fund; Disposition of Bond Proceeds. There has previously been created and established in the office of the City Finance Director a special fund designated as the "Debt Service Fund." There is hereby created a new account in such fund to be designated as the "2011 LTGO Bonds Account" (the "Bond Fund"). The City shall deposit into the Bond Fund all accrued interest received, if any, and any rounding amount received from the Purchaser upon the sale and delivery of the Bonds, and all taxes collected for and allocated to the payment of the Bonds. The money and investments in the Bond Fund shall be used by the City, together with any other money legally available and designated therefor, to pay the principal of and interest on the Bonds, when due.

The principal proceeds received from the sale of the Bonds (including any net original issue premium but net of any net

original issue discount and underwriter's discount) shall be deposited, upon receipt, into the City's Parks Capital Improvement Fund (the "Project Fund") to pay the costs of the Project.

Except as provided by the Code and Section 16 of this Ordinance, the interest and profits derived from the investment of Bond proceeds shall be deposited in the Project Fund and applied as described in the preceding paragraph.

Except as provided by the Code and Section 16 of this Ordinance, if any money allocable to the Bond proceeds remains in the Project Fund after payment of all the costs of the Project or after termination of the Project by the City, such money shall be transferred to the Bond Fund and applied to the payment of the principal of and interest on the Bonds.

Pending application as described in this Section 15 and subject to the requirements of the Code and Section 16 of this Ordinance, money allocable to the Bond proceeds in the Project Fund may be temporarily deposited in such institutions or invested in such investments as may be lawful for the investment of City funds.

Section 16. Tax-Exemption Covenants; Bank Qualification. The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion of the interest on the Bonds from gross income for

purposes of federal income taxation, and will take or require to be taken such acts as may be permitted by, and as may from time to time be required under, applicable law to continue the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. Without limiting the generality of the foregoing, the City will not invest or make or permit any use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

The City further covenants that, unless the Bonds qualify for a spending exception from rebate, it shall calculate or cause to be calculated, and shall rebate to the United States, all earnings from the investment of Bond proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the Bonds, plus income derived from such excess earnings, to the extent and in the manner required by Section 148 of the Code.

The City has not been notified of any listing or proposed listing by the Internal Revenue Service (the "IRS") to the effect that the City is a bond issuer the arbitrage certifications of which may not be relied upon.

The City will take no actions and will make no use of the proceeds of the Bonds or any other funds held under this

Ordinance which would cause any Bond to be treated as a "private activity bond" (as defined in Section 141(b) of the Code) subject to treatment under said Section 141(b) as an obligation not described in Section 103(a) of the Code, unless the tax exemption thereof is not affected.

The City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265 of the Code (relating to the deduction by financial institutions of the interest incurred to carry tax-exempt debt) and authorizes and directs the proper City officials to execute and deliver all documents necessary to evidence such designation to any and all interested parties. The City further covenants not to issue more than $10,000,000 of such "qualified tax-exempt obligations" during calendar year 2011.

Section 17. Undertaking to Provide Continuing Disclosure. This section constitutes the City's written undertaking for the benefit of the Owners of the Bonds required by subsection (b)(5)(i) of Rule 15c2-12.

The City hereby agrees to provide or cause to be provided annually to the MSRB the following annual financial information and operating data (collectively, the "Annual Financial Information") for each prior fiscal year, commencing with the fiscal year ending December 31, 2010, on or before the last day

of the seventh month following the end of such prior fiscal year, commencing July 31, 2011:

(a) Annual financial statements showing ending fund balances prepared in accordance with the generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law; which statements will not be audited, except that, if and when audited financial statements are otherwise prepared and available to the City, they will be provided (the "Annual Financial Statements");

(b) The assessed valuation of taxable property in the City;

(c) *Ad valorem* taxes due and the percentages of taxes collected;

(d) Property tax levy rates per $1,000 of assessed valuation; and

(e) A statement of authorized, issued and outstanding indebtedness of the City.

In its provision of such financial information and operating data, the City may cross-reference to any "final official statement" (as defined in Rule 15c2-12) available to the public on the MSRB's internet web site or filed with the SEC.

If not submitted as part of the Annual Financial Information, then when and if available, the City shall provide its Annual Financial Statements, which shall have been audited by such auditor as shall be then required or permitted by State law, to the MSRB.

The City further agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of the Owners of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances of the Bonds;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar event of the City;

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City also agrees to provide or cause to be provided to the MSRB, in a timely manner, notice of its failure to provide the Annual Financial Information for the prior fiscal year on or before the last day of the seventh month following the end of such prior fiscal year.

The City agrees that all documents provided to the MSRB pursuant to this undertaking shall be provided in an electronic

format and accompanied by such identifying information, each as prescribed by the MSRB.

The City may amend its obligations under, or waive any provision of, this Section 17 upon receipt of a favorable opinion of nationally recognized bond counsel or other counsel familiar with the federal securities law, or pursuant to a favorable "no-action letter" issued by the SEC. In the event of any amendment or waiver of the City's obligations under this Section 17, the City agrees to describe such amendment in the Annual Financial Information for such fiscal year and shall include, as applicable, a narrative explanation of the reason for such amendment or waiver and its impact of the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change will be given in the same manner as for a material event, and (B) the Annual Financial Information for the fiscal year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

The City's obligations to provide Annual Financial Information and notices of certain events shall terminate without amendment upon the defeasance or payment in full of all of the then outstanding Bonds. This Section 17, or any provision hereof, shall be null and void if the City (i) obtains an opinion of nationally recognized bond counsel or other counsel familiar with the federal securities laws to the effect that those portions of Rule 15c2-12 which require this Section 17 or any such provision are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies and provides the MSRB with copies of such opinion.

The right of each Owner of Bonds to enforce the provisions of this Section 17 shall be limited to the right to obtain specific enforcement of the City's obligations under this Section 17, and any failure by the City to comply with the provisions of this undertaking shall not be a default with respect to the Bonds under this Ordinance.

The City Finance Director is authorized and directed to take such further action on behalf of the City as may be necessary, appropriate or convenient to carry out the requirements of this Section 17.

Section 18. Contract; Severability. The covenants contained in this Ordinance shall constitute a contract between the City and the Owners of each and every Bond. The City

unconditionally covenants that it will keep and perform all of the covenants of the Bonds and this Ordinance. If any one or more of the provisions of this Ordinance shall be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining provisions of this Ordinance or the Bonds, and this Ordinance and the Bonds shall be construed and enforced as if such unconstitutional or invalid provision had not been contained herein.

Section 19. Effective Date. This Ordinance shall take effect from and after its passage and five days following its publication as required by State law. A summary of this Ordinance may be published in lieu of the entire Ordinance as authorized by State law.

ADOPTED by the Redmond City Council this 15th day of February, 2011.

CITY OF REDMOND

JOHN MARCHIONE, MAYOR

ATTEST:

MICHELLE M. MCGEHEE, CMC, CITY CLERK (SEAL)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____

FILED WITH THE CITY CLERK:	February 9, 2011
PASSED BY THE CITY COUNCIL:	February 15, 2011
SIGNED BY THE MAYOR:	February 15, 2011
PUBLISHED:	February 21, 2011
EFFECTIVE DATE:	February 26, 2011
ORDINANCE NO. 2577	

ADOPTED 5-2: YES: Allen, Margeson, Myers, Stilin and Vache
NO: Carson and Cole

EXHIBIT A

Form of Purchase Agreement

[Attached]

_____, 2011

City of Redmond
15670 NE 85th Street
Redmond, Washington 98073

Re: City of Redmond, Washington
$_____ Limited Tax General Obligation Bonds, 2011

Honorable Mayor and City Council:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with the City of Redmond, Washington (the "Issuer"). Each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties."

This offer is contingent upon acceptance by the Issuer by execution and delivery of this Purchase Agreement to the Underwriter at or prior to 11:59 p.m. Pacific Time on the date hereof, by means of hand delivery, facsimile or other secure electronic transmission, such as a PDF file. Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Ordinance as defined below:

1. Authorization and Documents

The issuance, sale and delivery of the Bonds (as defined below) shall be authorized by Ordinance No. _____ (the "Ordinance"), adopted by the Mayor and City County of the Issuer on February 15, 2011. The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

The Ordinance includes an undertaking to provide certain information to the Municipal Securities Rulemaking Board or any successors to its functions (the "MSRB"). Until otherwise designated by the MSRB or the Securities and Exchange Commission ("SEC"), any information or notices submitted to the MSRB in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule") are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. The Ordinance and this Purchase Agreement are collectively referred to herein as the "Documents."

2. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than all of the $_____ aggregate principal amount of Limited Tax General Obligation Bonds, 2011 (the "Bonds"). The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions, all as set forth in Exhibit C attached hereto. The Underwriter's purchase price for the Bonds also is set forth in Exhibit C.

3. Fiscal Agent

The fiscal agent of the State of Washington shall be the fiscal agent for the Bonds, serving as registrar, authenticating agent and paying agent (the "Bond Registrar"). The Bonds shall be payable and shall be secured as provided in the Ordinance and as described in the document entitled Preliminary Official Statement, which is dated _____ and which describes the Issuer and the Bonds (the "POS").

4. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit C attached hereto.

5. Official Statement

a) The Issuer has (i) reviewed and approved the information contained in a preliminary official statement to be prepared in connection with the sale of the Bonds (the "Preliminary Official Statement"); and (ii) for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), "deemed final" the POS as of its date, except for the omission of information dependent upon the pricing of the issue and the completion of this Purchase Agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, and other terms of the Bonds dependent on the foregoing matters. The Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering for sale of the Bonds by the Underwriter.

b) The final official statement shall be substantially in the form of the POS with only such changes permitted by the Rule as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "Final Official Statement"). The Issuer shall cooperate with the Underwriter in the preparation of the Final Official Statement for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer, and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the Municipal Securities Rulemaking Board.

c) The Issuer will not amend or supplement the Final Official Statement, once provided pursuant to this Section 5, without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the Final Official Statement (whether or not previously supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the Issuer at its expense and with Underwriter's assistance, shall amend or supplement the Final Official Statement in a form and manner approved by the Underwriter and will provide such number of copies of the supplement or amendment to the Final Official Statement, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the "End of the Underwriting Period" shall occur on the Closing Date.

6. Representations, Warranties and Covenants of Issuer

The Issuer represents, warrants and covenants to the Underwriter that as of the date hereof and as of the Closing Date:

a) The Issuer is a municipal corporation duly organized and validly existing under the laws and Constitution of the State of Washington;

b) The Issuer has duly adopted the Ordinance and it is a valid, legal and binding ordinance of the Issuer;

c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Documents;

d) The Ordinance is in full force and effect and has not been superseded, rescinded or amended;

e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Ordinance;

f) The execution of and performance by the Issuer of its obligations under the Documents will not cause the Issuer to be (i) in violation of any constitutional provision, law, court decree, administrative regulation or judgment or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;

g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the

performance by the Issuer of its obligations under the Documents have been or will be obtained prior to Closing;

h) No filing or registration of the Ordinance or other instrument or financing statement is required to be made to create, protect or preserve the pledge of taxing power under the Ordinance or is required for the validity and enforceability of the Ordinance;

i) As of the Closing, the Bonds will be legal, valid and binding obligations of the Issuer, and, subject only to the laws of bankruptcy and insolvency, will be enforceable in accordance with their terms and will be in full force and effect;

j) Except as described in the Final Official Statement to be provided pursuant to Section 5 hereof, there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer, (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the collection and application of taxes that may be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Ordinance, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (iv) contesting the completeness or accuracy of the POS or the Final Official Statement; or (v) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (iv);

k) The financial statements of the Issuer contained in the Final Official Statement to be provided pursuant to Section 5 hereof will fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, there has been no material adverse change in the financial position of the Issuer;

l) In connection with the financing process, the Underwriter may have provided the format for and certain of the content for inclusion in the POS and may have assumed principal drafting responsibility for the preparation of the POS and may coordinate the preparation and dissemination of the Final Official Statement. The Issuer understands and acknowledges, however, that the ultimate responsibility for the POS and the Final Official Statement with respect to content, accuracy and completeness is the responsibility of the Issuer as an issuer of municipal securities. The Issuer hereby represents and warrants to the Underwriter that the POS did not, as of its date, and the Final Official Statement will not, as of its date and at the Closing Date, contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation or warranty is

made with respect to information within the POS or the Final Official Statement relating to DTC, the book entry system or the Underwriter; and

m) The Issuer has not failed to comply with any prior undertaking under the Rule.

7. Termination

The Underwriter may terminate its obligation under this Purchase Agreement, without liability therefor, by notifying the Issuer of its election to do so in writing if, after the execution of this Purchase Agreement and prior to the Closing, any one or more of the following events shall have occurred and such event, in the reasonable opinion of the Underwriter (i) would materially and adversely affect the marketability of the Bonds or the prices or yields of the Bonds as set forth in Exhibit C, or (ii) would materially and adversely affect the Underwriter's ability to enforce contracts for the sale of the Bonds:

a) A material disruption in commercial banking or securities settlement or clearance services; or

b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or

c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or

d) Declaration of a general banking moratorium by the United States, New York State or Washington State authorities; or

e) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Washington or by Congress of the United States or adopted by either the United States House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or

f) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the SEC or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:

i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the "33 Act") or distribution of the Bonds, as contemplated herein or as will be contemplated in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the "Investment Company Act") or, in each case, the rules or regulations promulgated thereunder as then in effect; or

ii) The Ordinance is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

iii) This Purchase Agreement is subject to the Investment Company Act or requires any registration under the Investment Company Act; or

g) Any litigation, except as described in the Final Official Statement to be provided pursuant to Section 5 hereof, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Ordinance or any of the other Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or

h) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of Washington State or of the United States, or a decision by any court of competent jurisdiction within Washington State or any court of the United States shall be rendered materially affecting the Issuer or the Bonds; or

i) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order; or

j) Except for such changes to the Final Official Statement as provided in Section 5(c) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (b) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or

k) The withdrawal or downgrading of any rating of the Bonds by a national rating agency from those shown in (c)(i) of Exhibit B.

8. Closing; Conditions of Closing

The Closing shall occur on such date and at such time and place as is set forth in Exhibit C or otherwise agreed between the Issuer and the Underwriter, and subject to the satisfaction of the terms and conditions of this Purchase Agreement. At Closing, the following shall occur: the Issuer will deliver the duly executed Bonds or cause to be delivered to the fiscal agent for re-delivery through Fast Automated Transfer System to DTC and will deliver or cause to be delivered to the Underwriter the Ordinance; the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Exhibit C hereof in same day funds. The Issuer shall cause the applicable CUSIP identification numbers to be printed on the Bonds of each maturity, but neither the failure to print such number on any such Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and to pay for the Bonds. The Bonds shall be prepared and delivered to the Bond Registrar at or prior to the Closing Date.

In addition to the other requirements of this Purchase Agreement, the Underwriter's obligations hereunder are subject to and conditioned upon the Issuer, at or prior to the Closing Date, delivering or making available to the Underwriter copies of the Documents and such items as are listed in Exhibit B attached hereto and incorporated herein.

9. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds; the fees and disbursements of Bond Counsel and Financial Advisor; bond registration and rating fees and expenses; the cost of printing and distributing the POS and Final Official Statement; travel and lodging expenses of the Issuer's employees and representatives; and other expenses of the Issuer.

The Underwriter will pay fees and disbursements of its counsel, if any, the cost of preparation and filing of blue sky and legal investment surveys where necessary, the Underwriter's travel expenses, and other expenses of the Underwriter. As a convenience to the Issuer, the Underwriter may from time to time, but only upon the prior written direction from the Issuer, make arrangements for certain items for which Issuer is responsible hereunder, such as printing of the POS and the Final Official Statement and travel or lodging arrangements for the Issuer's representatives.

The Underwriter also may advance for the Issuer's account when appropriate and when directed in advance in writing by the Issuer, the cost of the items for which the Issuer is responsible by making payments to third-party vendors. In such cases, the Issuer shall pay such costs or expenses directly, upon submission of appropriate invoices by the Underwriter, or promptly reimburse the Underwriter in the event the Underwriter has advanced such costs or expenses for the Issuer's account. It is understood that the Issuer shall be primarily responsible for payment of all such items and that the Underwriter may agree to advance the cost of such items from time to time solely as an accommodation to the Issuer and on the condition that it shall be reimbursed in full by the Issuer.

10. Miscellaneous

a) All matters relating to the Purchase Agreement shall be governed by the laws of the state of Washington.

b) This Purchase Agreement is intended to benefit only the parties hereto. Unless it can be shown that the untruth of any representation or warranty of the Issuer or the violation of any agreement of the Issuer hereunder actually was or should have been discovered by the Underwriter through its review of the information in the Final Official Statement in accordance with and as a part of its responsibilities under federal securities laws as applied to the facts and circumstances of this transaction, all representations and warranties and agreements of the Issuer in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Finance Director or other authorized official of the Issuer at 15670 NE 85th Street, Redmond, Washington 98073; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the attention of the officer of the Underwriter executing this Purchase Agreement at Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington, 98101. Written communications may be delivered by electronic means.

d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either Party hereto may execute this Purchase Agreement by signing any such counterpart.

e) This Purchase Agreement, including all documents incorporated herein by reference, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in a writing signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.

Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: _____
Lindsay A. Sovde, Senior Vice President

Accepted _____, 2011

CITY OF REDMOND, WASHINGTON

By: _____ _____
Authorized Officer Time Signed

EXHIBIT A
FINAL PRICING NUMBERS

EXHIBIT B
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, Issuer shall provide the following:

a) Copies of the Ordinance and the DTC Letter of Representation for the Bonds;

b) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form to be set forth in Appendix A to the Final Official Statement and a letter addressed to the Underwriter to the effect that the Underwriter may rely upon such opinion as if it were addressed to the Underwriter;

c) Evidence of each of the following:

   i) That Standard & Poor's ("S&P") has assigned its rating of "__" to the Bonds and that such rating is in full force and effect on and as of the date of Closing; and

   ii) Designation of the Bonds as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

d) A copy of completed IRS Form 8038-G for the Bonds;

e) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:

   i) The representations, warranties and covenants of the Issuer contained herein and in the Ordinance are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

   ii) No litigation or other proceedings are pending or, to the knowledge of the Issuer, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Ordinance, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Ordinance or this Purchase Agreement, or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein; and

   iii) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not

misleading; provided, however, that no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book entry system or the Underwriter.

f) Such additional certificates, instruments or opinions or other evidence as the Underwriter or Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Ordinance with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or Bond Counsel reasonably requests.

Underwriter's Closing Documents

At Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds including therein a representation that all closing conditions set forth in this Purchase Agreement have been provided to the satisfaction of the Underwriter or waived by it.

EXHIBIT C
DESCRIPTION OF THE BONDS

(a)	Principal Amount:	$_____
(b)	Purchase Price:	$_____ ($_____ per $100), representing an [net] original issue discount (premium) of $_____ and an underwriter's discount of $_____.
(c)	Denominations:	$5,000, or integral multiples thereof.
(d)	Form:	Registered; Book-entry only.
(e)	Interest Payment Dates:	June 1 and December 1, commencing June 1, 2011.
(f)	Maturity and Interest Rates:	The Bonds shall mature on December 1 of each year and bear interest as follows:
		[INSERT MATURITY TABLE]
(g)	Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
(h)	Dated Date:	Date of Delivery, expected to be _____, 2011.
(i)	Offer Expires:	11:59 p.m. Pacific Time, _____, 2011.
(j)	Bond Counsel:	Gottlieb Fisher PLLC.
(k)	Closing:	Via conference call initiated by Bond Counsel on March 16, 2011, at 9:00 a.m. Pacific Time.
(l)	Delivery:	To the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer.
(m)	Rating:	S&P has assigned its rating of "___" to the Bonds.

SNW

March 2, 2011

City of Redmond
15670 NE 85th Street
Redmond, Washington 98073

Re: City of Redmond, Washington
$8,035,000 Limited Tax General Obligation Bonds, 2011

Honorable Mayor and City Council:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with the City of Redmond, Washington (the "Issuer"). Each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties."

This offer is contingent upon acceptance by the Issuer by execution and delivery of this Purchase Agreement to the Underwriter at or prior to 11:59 p.m. Pacific Time on the date hereof, by means of hand delivery, facsimile or other secure electronic transmission, such as a PDF file. Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Ordinance as defined below:

1. Authorization and Documents

The issuance, sale and delivery of the Bonds (as defined below) shall be authorized by Ordinance No. 2577 (the "Ordinance"), adopted by the Mayor and City Council of the Issuer on February 15, 2011. The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

The Ordinance includes an undertaking to provide certain information to the Municipal Securities Rulemaking Board or any successors to its functions (the "MSRB"). Until otherwise designated by the MSRB or the Securities and Exchange Commission ("SEC"), any information or notices submitted to the MSRB in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule") are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. The Ordinance and this Purchase Agreement are collectively referred to herein as the "Documents."

2. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than all of the $8,035,000 aggregate principal amount of Limited Tax General Obligation Bonds, 2011 (the "Bonds"). The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions, all as set forth in Exhibit C attached hereto. The Underwriter's purchase price for the Bonds also is set forth in Exhibit C.

3. Fiscal Agent

The fiscal agent of the State of Washington shall be the fiscal agent for the Bonds, serving as registrar, authenticating agent and paying agent (the "Bond Registrar"). The Bonds shall be payable and shall be secured as provided in the Ordinance and as described in the document entitled Preliminary Official Statement, which is dated February 18, 2011 and which describes the Issuer and the Bonds (the "POS").

4. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit C attached hereto.

5. Official Statement

a) The Issuer has (i) reviewed and approved the information contained in a preliminary official statement to be prepared in connection with the sale of the Bonds (the "Preliminary Official Statement"); and (ii) for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), "deemed final" the POS as of its date, except for the omission of information dependent upon the pricing of the issue and the completion of this Purchase Agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, and other terms of the Bonds dependent on the foregoing matters. The Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering for sale of the Bonds by the Underwriter.

b) The final official statement shall be substantially in the form of the POS with only such changes permitted by the Rule as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "Final Official Statement"). The Issuer shall cooperate with the Underwriter in the preparation of the Final Official Statement for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer, and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the Municipal Securities Rulemaking Board.

c) The Issuer will not amend or supplement the Final Official Statement, once provided pursuant to this Section 5, without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the Final Official Statement (whether or not previously supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the Issuer at its expense and with Underwriter's assistance, shall amend or supplement the Final Official Statement in a form and manner approved by the Underwriter and will provide such number of copies of the supplement or amendment to the Final Official Statement, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the "End of the Underwriting Period" shall occur on the Closing Date.

6. Representations, Warranties and Covenants of Issuer

The Issuer represents, warrants and covenants to the Underwriter that as of the date hereof and as of the Closing Date:

a) The Issuer is a municipal corporation duly organized and validly existing under the laws and Constitution of the State of Washington;

b) The Issuer has duly adopted the Ordinance and it is a valid, legal and binding ordinance of the Issuer;

c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Documents;

d) The Ordinance is in full force and effect and has not been superseded, rescinded or amended;

e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Ordinance;

f) The execution of and performance by the Issuer of its obligations under the Documents will not cause the Issuer to be (i) in violation of any constitutional provision, law, court decree, administrative regulation or judgment or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;

g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the

performance by the Issuer of its obligations under the Documents have been or will be obtained prior to Closing;

h) No filing or registration of the Ordinance or other instrument or financing statement is required to be made to create, protect or preserve the pledge of taxing power under the Ordinance or is required for the validity and enforceability of the Ordinance;

i) As of the Closing, the Bonds will be legal, valid and binding obligations of the Issuer, and, subject only to the laws of bankruptcy and insolvency, will be enforceable in accordance with their terms and will be in full force and effect;

j) Except as described in the Final Official Statement to be provided pursuant to Section 5 hereof, there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer, (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the collection and application of taxes that may be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Ordinance, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (iv) contesting the completeness or accuracy of the POS or the Final Official Statement; or (v) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (iv);

k) The financial statements of the Issuer contained in the Final Official Statement to be provided pursuant to Section 5 hereof will fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, there has been no material adverse change in the financial position of the Issuer;

l) In connection with the financing process, the Underwriter may have provided the format for and certain of the content for inclusion in the POS and may have assumed principal drafting responsibility for the preparation of the POS and may coordinate the preparation and dissemination of the Final Official Statement. The Issuer understands and acknowledges, however, that the ultimate responsibility for the POS and the Final Official Statement with respect to content, accuracy and completeness is the responsibility of the Issuer as an issuer of municipal securities. The Issuer hereby represents and warrants to the Underwriter that the POS did not, as of its date, and the Final Official Statement will not, as of its date and at the Closing Date, contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation or warranty is

made with respect to information within the POS or the Final Official Statement relating to DTC, the book entry system or the Underwriter; and

m) The Issuer has not failed to comply with any prior undertaking under the Rule.

7. Termination

The Underwriter may terminate its obligation under this Purchase Agreement, without liability therefor, by notifying the Issuer of its election to do so in writing if, after the execution of this Purchase Agreement and prior to the Closing, any one or more of the following events shall have occurred and such event, in the reasonable opinion of the Underwriter (i) would materially and adversely affect the marketability of the Bonds or the prices or yields of the Bonds as set forth in Exhibit C, or (ii) would materially and adversely affect the Underwriter's ability to enforce contracts for the sale of the Bonds:

a) A material disruption in commercial banking or securities settlement or clearance services; or

b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or

c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or

d) Declaration of a general banking moratorium by the United States, New York State or Washington State authorities; or

e) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Washington or by Congress of the United States or adopted by either the United States House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or

f) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the SEC or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:

i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the "33 Act") or distribution of the Bonds, as contemplated herein or as will be contemplated in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the "Investment Company Act") or, in each case, the rules or regulations promulgated thereunder as then in effect; or

ii) The Ordinance is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

iii) This Purchase Agreement is subject to the Investment Company Act or requires any registration under the Investment Company Act; or

g) Any litigation, except as described in the Final Official Statement to be provided pursuant to Section 5 hereof, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Ordinance or any of the other Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or

h) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of Washington State or of the United States, or a decision by any court of competent jurisdiction within Washington State or any court of the United States shall be rendered materially affecting the Issuer or the Bonds; or

i) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order; or

j) Except for such changes to the Final Official Statement as provided in Section 5(c) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (b) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or

k) The withdrawal or downgrading of any rating of the Bonds by a national rating agency from those shown in (c)(i) of Exhibit B.

8. Closing; Conditions of Closing

The Closing shall occur on such date and at such time and place as is set forth in Exhibit C or otherwise agreed between the Issuer and the Underwriter, and subject to the satisfaction of the terms and conditions of this Purchase Agreement. At Closing, the following shall occur: the Issuer will deliver the duly executed Bonds or cause to be delivered to the fiscal agent for re-delivery through Fast Automated Transfer System to DTC and will deliver or cause to be delivered to the Underwriter the Ordinance; the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Exhibit C hereof in same day funds. The Issuer shall cause the applicable CUSIP identification numbers to be printed on the Bonds of each maturity, but neither the failure to print such number on any such Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and to pay for the Bonds. The Bonds shall be prepared and delivered to the Bond Registrar at or prior to the Closing Date.

In addition to the other requirements of this Purchase Agreement, the Underwriter's obligations hereunder are subject to and conditioned upon the Issuer, at or prior to the Closing Date, delivering or making available to the Underwriter copies of the Documents and such items as are listed in Exhibit B attached hereto and incorporated herein.

9. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds; the fees and disbursements of Bond Counsel and Financial Advisor; bond registration and rating fees and expenses; the cost of printing and distributing the POS and Final Official Statement; travel and lodging expenses of the Issuer's employees and representatives; and other expenses of the Issuer.

The Underwriter will pay fees and disbursements of its counsel, if any, the cost of preparation and filing of blue sky and legal investment surveys where necessary, the Underwriter's travel expenses, and other expenses of the Underwriter. As a convenience to the Issuer, the Underwriter may from time to time, but only upon the prior written direction from the Issuer, make arrangements for certain items for which Issuer is responsible hereunder, such as printing of the POS and the Final Official Statement and travel or lodging arrangements for the Issuer's representatives.

The Underwriter also may advance for the Issuer's account when appropriate and when directed in advance in writing by the Issuer, the cost of the items for which the Issuer is responsible by making payments to third-party vendors. In such cases, the Issuer shall pay such costs or expenses directly, upon submission of appropriate invoices by the Underwriter, or promptly reimburse the Underwriter in the event the Underwriter has advanced such costs or expenses for the Issuer's account. It is understood that the Issuer shall be primarily responsible for payment of all such items and that the Underwriter may agree to advance the cost of such items from time to time solely as an accommodation to the Issuer and on the condition that it shall be reimbursed in full by the Issuer.

10. Miscellaneous

a) All matters relating to the Purchase Agreement shall be governed by the laws of the state of Washington.

b) This Purchase Agreement is intended to benefit only the parties hereto. Unless it can be shown that the untruth of any representation or warranty of the Issuer or the violation of any agreement of the Issuer hereunder actually was or should have been discovered by the Underwriter through its review of the information in the Final Official Statement in accordance with and as a part of its responsibilities under federal securities laws as applied to the facts and circumstances of this transaction, all representations and warranties and agreements of the Issuer in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Finance Director or other authorized official of the Issuer at 15670 NE 85th Street, Redmond, Washington 98073; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the attention of the officer of the Underwriter executing this Purchase Agreement at Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington, 98101. Written communications may be delivered by electronic means.

d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either Party hereto may execute this Purchase Agreement by signing any such counterpart.

e) This Purchase Agreement, including all documents incorporated herein by reference, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in a writing signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.

Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: Lindsay A Sovde
Lindsay A. Sovde, Senior Vice President

Accepted March 2, 2011

CITY OF REDMOND, WASHINGTON

By: [signature]
Authorized Officer

2:02 PM 3/2/11
Time Signed

EXHIBIT A
FINAL PRICING NUMBERS

BOND DEBT SERVICE

City of Redmond, Washington
Limited Tax General Obligation Bonds, 2011
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2011			56,559.90	56,559.90	
12/01/2011	705,000	2.000%	135,743.75	840,743.75	897,303.65
06/01/2012			128,693.75	128,693.75	
12/01/2012	640,000	2.000%	128,693.75	768,693.75	897,387.50
06/01/2013			122,293.75	122,293.75	
12/01/2013	655,000	2.000%	122,293.75	777,293.75	899,587.50
06/01/2014			115,743.75	115,743.75	
12/01/2014	665,000	2.000%	115,743.75	780,743.75	896,487.50
06/01/2015			109,093.75	109,093.75	
12/01/2015	680,000	4.000%	109,093.75	789,093.75	898,187.50
06/01/2016			95,493.75	95,493.75	
12/01/2016	705,000	4.000%	95,493.75	800,493.75	895,987.50
06/01/2017			81,393.75	81,393.75	
12/01/2017	735,000	4.000%	81,393.75	816,393.75	897,787.50
06/01/2018			66,693.75	66,693.75	
12/01/2018	765,000	4.000%	66,693.75	831,693.75	898,387.50
06/01/2019			51,393.75	51,393.75	
12/01/2019	795,000	4.000%	51,393.75	846,393.75	897,787.50
06/01/2020			35,493.75	35,493.75	
12/01/2020	825,000	4.500%	35,493.75	860,493.75	895,987.50
06/01/2021			16,931.25	16,931.25	
12/01/2021	865,000	**	16,931.25	881,931.25	898,862.50
	8,035,000		1,838,753.65	9,873,753.65	9,873,753.65

BOND PRICING

City of Redmond, Washington
Limited Tax General Obligation Bonds, 2011
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bonds:							
	12/01/2011	705,000	2.000%	0.370%	101.151	8,114.55	2.500
	12/01/2012	640,000	2.000%	0.600%	102.375	15,200.00	2.500
	12/01/2013	655,000	2.000%	0.940%	102.827	18,516.85	3.750
	12/01/2014	665,000	2.000%	1.340%	102.379	15,820.35	3.750
	12/01/2015	680,000	4.000%	1.680%	110.458	71,114.40	3.750
	12/01/2016	705,000	4.000%	1.950%	111.021	77,698.05	3.750
	12/01/2017	735,000	4.000%	2.310%	110.443	76,756.05	3.750
	12/01/2018	765,000	4.000%	2.560%	110.012	76,591.80	3.750
	12/01/2019	795,000	4.000%	2.770%	109.456	75,175.20	3.750
	12/01/2020	825,000	4.500%	2.930%	113.178	108,718.50	3.750
	12/01/2021	405,000	3.250%	3.090%	101.446	5,856.30	3.750
	12/01/2021	460,000	4.500%	3.090%	112.767	58,728.20	3.750
		8,035,000				608,290.25	

Dated Date	03/16/2011	
Delivery Date	03/16/2011	
First Coupon	06/01/2011	
Par Amount	8,035,000.00	
Premium	608,290.25	
Production	8,643,290.25	107.570507%
Underwriter's Discount	-43,469.35	-0.541000%
Purchase Price	8,599,820.90	107.029507%
Accrued Interest		
Net Proceeds	8,599,820.90	

SOURCES AND USES OF FUNDS

City of Redmond, Washington
Limited Tax General Obligation Bonds, 2011
FINAL NUMBERS

Dated Date	03/16/2011
Delivery Date	03/16/2011

Sources:	
Bond Proceeds:	
Par Amount	8,035,000.00
Premium	608,290.25
	8,643,290.25

Uses:	
Project Fund Deposits:	
Capital Projects Fund Deposit	8,574,660.40
Delivery Date Expenses:	
Cost of Issuance	25,160.50
Underwriter's Discount	43,469.35
	68,629.85
	8,643,290.25

EXHIBIT B
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, Issuer shall provide the following:

a) Copies of the Ordinance and the DTC Letter of Representation for the Bonds;

b) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form to be set forth in Appendix A to the Final Official Statement and a letter addressed to the Underwriter to the effect that the Underwriter may rely upon such opinion as if it were addressed to the Underwriter;

c) Evidence of each of the following:

   i) That Standard & Poor's ("S&P") has assigned its rating of "AAA" to the Bonds and that such rating is in full force and effect on and as of the date of Closing; and

   ii) Designation of the Bonds as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

d) A copy of completed IRS Form 8038-G for the Bonds;

e) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:

   i) The representations, warranties and covenants of the Issuer contained herein and in the Ordinance are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

   ii) No litigation or other proceedings are pending or, to the knowledge of the Issuer, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Ordinance, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Ordinance or this Purchase Agreement, or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein; and

   iii) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not

misleading; provided, however, that no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book entry system or the Underwriter.

f) Such additional certificates, instruments or opinions or other evidence as the Underwriter or Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Ordinance with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or Bond Counsel reasonably requests.

Underwriter's Closing Documents

At Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds including therein a representation that all closing conditions set forth in this Purchase Agreement have been provided to the satisfaction of the Underwriter or waived by it.

EXHIBIT C
DESCRIPTION OF THE BONDS

(a) Principal Amount: $8,035,000

(b) Purchase Price: $8,599,820.90 ($107.029507 per $100), representing premium of $608,290.25 and an underwriter's discount of $43,469.35.

(c) Denominations: $5,000, or integral multiples thereof.

(d) Form: Registered; Book-entry only.

(e) Interest Payment Dates: June 1 and December 1, commencing June 1, 2011.

(f) Maturity and Interest Rates: The Bonds shall mature on December 1 of each year and bear interest as follows:

Due Dec. 1	Amounts	Interest Rates	Yields	CUSIP 757674	Due Dec. 1	Amounts	Interest Rates	Yields	CUSIP 757674
2011	$ 705,000	2.00%	0.37%	LL8	2017	$ 735,000	4.00%	2.31%	LS3
2012	640,000	2.00	0.60	LM6	2018	765,000	4.00	2.56	LT1
2013	655,000	2.00	0.94	LN4	2019	795,000	4.00	2.77	LU8
2014	665,000	2.00	1.34	LP9	2020	825,000	4.50	2.93	LV6
2015	680,000	4.00	1.68	LQ7	2021*	405,000	3.25	3.09	LW4
2016	705,000	4.00	1.95	LR5	2021*	460,000	4.50	3.09	LX2

* Bifurcated maturity

(g) Optional Redemption: The Bonds are not subject to optional redemption prior to maturity.

(h) Dated Date: Date of Delivery, expected to be March 16, 2011.

(i) Offer Expires: 11:59 p.m. Pacific Time, March 2, 2011.

(j) Bond Counsel: Gottlieb Fisher PLLC.

(k) Closing: Via conference call initiated by Bond Counsel on March 16, 2011, at 9:00 a.m. Pacific Time.

(l) Delivery: To the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer.

(m) Rating: S&P has assigned its rating of "AAA" to the Bonds.