

KING COUNTY INVESTMENT POOL AGREEMENT

THIS AGREEMENT is made and entered into this day by and between King County, a home rule charter County in the State of Washington and the King County Fire Dist #13, a District in the State of Washington (hereinafter referred to as the "District").

WHEREAS the King County Treasury Division is authorized to offer investment pooling opportunities to districts located in the County;

WHEREAS the District would like to participate in the King County Investment Pool;

WHEREAS this agreement is authorized by RCW 36.29.020, 36.29.022, and 36.29.024;

NOW, THEREFORE, in consideration of the terms and provisions herein; it is agreed by and between the District and King County as follows:

I. SCOPE OF WORK

A. King County

1. King County will be responsible for management of the Pool as well as calculation of interest earnings and fees. The pool will hold only securities authorized under state law. King County policies regarding the purchase of securities are outlined in King County Investment Policy Section 90. The County Investment Officer will have sole responsibility for determining and executing the investment strategy for the pool with oversight responsibility by Finance Department Management and the Executive Finance Committee.

2. Interest earnings will be distributed to the District based on the average daily cash balance maintained in the fund as determined in King County's ARMS system. Earnings and fees will be calculated by the 15th day of the following month. The actual distribution will be effectively back dated to the first of the month.

3. The monthly interest rate used for pool distributions will be calculated using earnings of the Pool on an accrual basis. Earnings will be paid on an actual/actual day basis. Thus, a fund maintaining an average balance of \$1,000,000 in a 31 day month for which a 6.00% earnings rate is paid will receive \$5,095.89 in interest for that month. ($\$1,000,000 \times .06 \times 31/365$).

4. King County will charge the District an annual fee for pool participation of 15 basis points (.15%), which will be applied monthly against the average cash balance of the District. In the example above, the District would pay to the County a fee for that month in the amount of \$127.40 ($1,000,000 \times .0015 \times 31/365$).

5. King County will provide to the District a monthly pool statement that will show the average cash balance maintained by the District, the pool earnings rate, the District's earnings, and the fee paid.

B. The District

1. The District may only terminate this Agreement on the annual anniversary of the commencement of pool participation (the "District's Anniversary"). For purposes of this section, the District's Anniversary shall be 1/1/02. For withdrawals from the fund, the District shall submit a warrant, which will reduce the principal balance in the fund. The District may also increase the balance within the fund.

2. The District shall provide written notice to the County if the District wishes to terminate this Agreement on the District's Anniversary. Such notice of intent to terminate must be received by the County at least thirty (30) days prior to the date the District's Anniversary for fund balance amounts of up to \$20,000,000 and at least forty-five (45) days prior to the District's Anniversary for fund balance amounts in excess of \$20,000,000.

3. The District understands that participation in the investment pool should be considered a long-term commitment, and that the County will not accept a request for termination of this Agreement on a date other than the District's Anniversary. Notwithstanding the foregoing, the County in its sole discretion, may consider a request for hardship termination under extraordinary circumstances.

II. DISTRICT COVENANTS

The District's governing body has duly authorized the District's participation in the pool. The District covenants that, pursuant to RCW 36.29.020, the funds which the District plans to invest in the pool are not required for the District's immediate expenditure.

III. KING COUNTY IS INDEPENDENT CONTRACTOR

In providing services under this Contract, King County is an independent contractor, and neither it nor its officers, agents or employees are employees of the District for any purpose.

IV. DISCLAIMER

King County makes no promises, either written or oral, regarding performance of the pool investments. King County will attempt to obtain the highest yields available within investment policy, however, at times there may be higher yields available in other investment vehicles.

V. ADMINISTRATION

This agreement shall be administered by the King County Treasury Manager or his or her designee.

VI. TERM OF AGREEMENT

This agreement shall be effective on the date it is executed. This agreement is ongoing until either party terminates per Section VIII below.

VII. AMENDMENTS

No amendment to this Agreement shall be binding unless agreed to in writing by each party.

VIII. TERMINATION

King County may terminate this agreement upon 30 days written notice. The District may terminate this Agreement in accordance with Section I(B)(2).

IX. FUND PARTICIPATION EXCEPTIONS

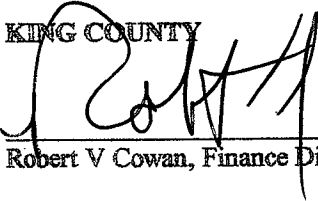
All of the District's funds shall be added to the pool with the exception of D . Any future funds created by the District shall be added to the pool automatically unless otherwise requested in writing by the District.

X. ENTIRE AGREEMENT

This Agreement is the complete expression of the terms hereto and any oral representation or understandings not incorporated herein are excluded. Any modifications to this Agreement shall be in writing and signed by both parties. Waiver of any default shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such through written approval by the County, which shall be attached to the original Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this 8 day of January, 2002.

KING COUNTY


Robert V Cowan, Finance Director

1/14/02
Dated

DISTRICT

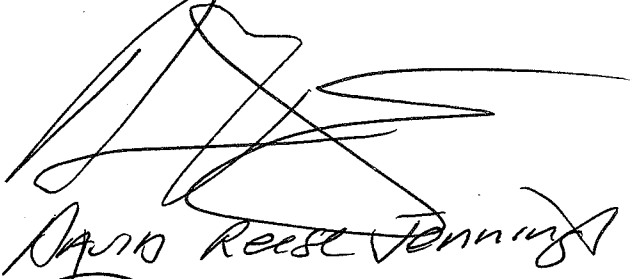
King County Fire Dist #13
Name of District DBA Vashon Island Fire & Rescue

Mandy Bonada
By

1/8/02
Dated

District Secretary
Title

Allyn L. Riddle


Aris Reese Jennings
Christy X Fullerton
Chair