

MEMORANDUM OF AGREEMENT

Regarding

Health Benefits for 2007 - 2009

For Represented Benefits-Eligible Employees

By and Between King County and

Unions Representing King County Employees

Whereas, the County and the Unions signatory hereto have agreed to a new Healthy IncentivesSM benefits plan for 2007-2009; and

Whereas, the parties agreed to negotiate employees' participation in a Voluntary Employee Beneficiary Association; and

Whereas, the parties have negotiated in good faith; now

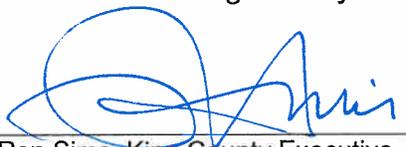
Therefore, the parties hereby agree to the following benefit plan design changes to the Healthy IncentivesSM Program for benefit plan years 2007-2009:

1. Effective January 1, 2007, bargaining units may opt into participation in the Voluntary Employee Beneficiary Association (VEBA), which is a tax-exempt trust authorized by Internal Revenue Code Section 501(c)(9). Under the IRS code requirements, if a bargaining unit opts to participate in the VEBA, all employees in positions covered by the bargaining unit must participate.
2. If a retiring employee is in a bargaining unit that has opted to participate in the VEBA plan, the County will transfer funds equal to that participating employee's cash-out of eligible, compensable sick leave tax-free to a VEBA trust account on that employee's behalf at his/her retirement. These funds will be transferred to the VEBA trust account in lieu of the regular cash-out to the employee, not in addition to the regular cash-out.
3. The parties agree to reopen this Agreement in the event the Internal Revenue Service issues a determination making it permissible for the Trust to be constructed to permit employees retiring in even numbered years to have funds equal to their cash-out of eligible, compensable sick leave transferred tax-free to the VEBA trust account (in lieu of the regular cash-out of sick leave) and employees retiring in odd numbered years to receive their cash-out of eligible, compensable sick leave in cash, subject to regular withholding.
4. **Total Agreement.** This Agreement modifies the parties' current Agreement for health insurance plans for 2007-2009. As such, the four memoranda of agreement comprise the entire Agreement of the parties with respect to the matters covered herein, and no agreement, statement or promise made by

any party which is not included within these two memoranda shall be binding or valid. This Agreement may be modified or amended only by a written amendment executed by all parties hereto.

5. **Severability.** The provisions of this Agreement are intended to be severable. If any term or provision of this Agreement is deemed illegal or invalid for any reason, such illegibility shall not affect the validity of the remainder of this Agreement.
6. **Term.** This Agreement shall be effective from January 1, 2007 through December 31, 2009.

On behalf of King County:



Ron Sims, King County Executive 11-17-2005
Date

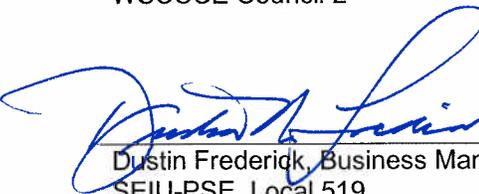
On behalf of the Unions Participating in the Joint Labor Management Insurance Committee:



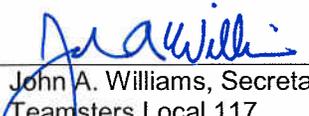
William Dennis, Staff Representative 11/17/05
WSCCCE Council 2 Date



John Masterjohn, Business Manager 11-17-05
PSIE, Local 1239 Date



Dustin Frederick, Business Manager 11/17/05
SEIU-PSE, Local 519 Date



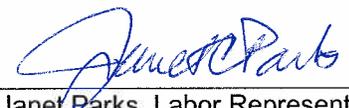
John A. Williams, Secretary-Treasurer 12-12-05
Teamsters Local 117 Date



Dan Scott, Secretary-Treasurer 12/9/05
Teamsters Local 174 Date



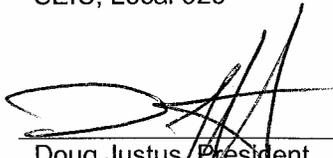
Whitney Hupf, Union Representative 11/17/05
IFPTE, Local 17 Date



Janet Parks, Labor Representative 12/5/05
Washington State Nurses Association Date



Irene Eldridge, Secretary-Treasurer 1/31/06
SEIU, Local 925 Date



Doug Justus, President 2/27/06
King County Corrections Guild Date