

April 26, 1995

Introduced by: RON SIMS  
PETE VON REICHBAUER  
Proposed No.: 95 - 341

MOTION NO. **9551**

A MOTION of the county council accepting a bid for the purchase of the county's limited tax general obligation bonds (payable from sewer revenues) in the aggregate principal amount of \$90,000,000; and fixing the interest rates and designating serial and term bond maturities for the bonds.

WHEREAS, the county council by Ordinance No. 11763 passed April 24, 1995 (the "Bond Ordinance"), authorized the issuance and sale of the county's Limited Tax General Obligation Bonds (Payable from Sewer Revenues), 1995, in the principal amount of \$90,000,000 (the "Bonds"), for the purpose of paying at maturity certain sewer revenue bond anticipation notes of the county and financing the construction of portions of the Fourth Stage Project of the Comprehensive Plan for the Sewer System; and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated April 24, 1995 has been prepared for the public sale of the bonds, the official notice of such sale (the "Notice") has been duly published, and bids have been received in accordance with the Notice; and

WHEREAS, the attached bid of Lehman Brothers (the "Purchaser") to purchase the Bonds is the best bid received, and it is in the best interest of the county that the Bonds be sold to the Purchaser on the terms set forth in the Notice, the attached bid and the Bond Ordinance;

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

The terms and conditions set forth in the Notice attached hereto as Exhibit A are hereby ratified and confirmed, and the bid to purchase the Bonds, as set forth in the Purchaser's bid attached hereto as Exhibit B, is hereby accepted. The Bonds shall bear interest at the rates set forth on Exhibit B and shall conform in all other respects to the terms and conditions specified in the Notice and Bond Ordinance.

1 Pursuant to Section 9.B. of the Bond Ordinance, the county  
2 shall pay into the 1995 Term Bond Payment Subaccount those  
3 amounts necessary to be deposited in such Subaccount to pay the  
4 principal of the outstanding 1995 Term Bonds on or before  
5 January 1 of the years and in the amounts set forth on Exhibit  
6 B as 1995 Term Bond amortization installments.

7 The amounts set aside pursuant to the amortization  
8 schedule on Exhibit B shall be applied to the redemption of the  
9 then outstanding 1995 Term Bonds. The 1995 Term Bonds first  
10 maturing shall be called by lot on January 1 of each year  
11 beginning with the first amortization installment date, and the  
12 Bond Registrar is hereby instructed to give notices of such  
13 redemption pursuant to Section 4 of the Bond Ordinance. For so  
14 long as the Bonds are held in book-entry form and registered in  
15 the name of Cede & Co. or its registered assigns, the official  
16 notice of any such intended redemption shall be given at the  
17 time and in the manner set forth in the blanket issues Letter  
18 of Representatives.

19 The county officials, their agents, and representatives  
20 are hereby authorized and directed to do everything necessary  
21 for the prompt issuance and delivery of the Bonds and for the  
22 proper use and application of the proceeds of such sale.

23 PASSED by a vote of 10 to 0 this 8<sup>th</sup> day  
24 of May, 1995.

25 KING COUNTY COUNCIL  
26 KING COUNTY, WASHINGTON

27 Kent Pullen  
28 Chair

29 ATTEST:

30 Janet Masuo  
31 Deputy Clerk of the Council

32 Attachments: Exhibit A - Official Notice of Bond Sale  
33 Exhibit B - Winning Bid

**OFFICIAL NOTICE OF BOND SALE****\$90,000,000  
KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS  
(PAYABLE FROM SEWER REVENUES), 1995**

Sealed bids for the above-referenced bonds (the "Bonds") of King County, Washington (the "County") will be received at the County's Purchasing Office, Room 610, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, until 10:00 a.m., Seattle time, on

**May 8, 1995**

or on such later day as may be established by the County Finance Manager and communicated through Munifacts News Service not less than 24 hours prior to the time bids are to be received, for the purchase of the Bonds. All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

If all bids for the Bonds are rejected, the County Finance Manager may fix a new date and time for the receipt of bids for such Bonds by giving notice communicated through Munifacts Wire Service not less than 24 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Bond Sale.

**DESCRIPTION OF BONDS****Bond Details**

The Bonds will be dated May 1, 1995. Interest on the Bonds will be payable on January 1, 1996 and semiannually thereafter on each January 1 and July 1.

**Registration and Book-Entry Only System**

The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agencies of the State of Washington in the cities of Seattle, Washington and New York, New York to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

**Election of Maturities**

The bidder shall designate whether the principal amounts of the Bonds set forth below shall be retired on January 1 of each respective year as serial bonds maturing in such year or as amortization installments of term bonds maturing in the years specified by the bidder; provided, however, that if the bidder designates any of the Bonds as serial bonds, such serial bonds shall mature consecutively from January 1, 1996, to the last date that the bidder designates as a serial bond maturity.

**OFFICIAL NOTICE OF BOND SALE****\$90,000,000****KING COUNTY, WASHINGTON  
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(PAYABLE FROM SEWER REVENUES), 1995**

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Serial Maturity or Amortization Installment	Principal Amounts	Serial Maturity or Amortization Installment	Principal Amounts
1996	\$ 200,000	2016	\$ 785,000
1997	210,000	2017	2,285,000
1998	220,000	2018	2,430,000
1999	235,000	2019	2,580,000
2000	245,000	2020	2,740,000
2001	255,000	2021	2,915,000
2002	270,000	2022	3,095,000
2003	285,000	2023	3,290,000
2004	305,000	2024	3,495,000
2005	315,000	2025	3,710,000
2006	340,000	2026	3,945,000
2007	355,000	2027	4,195,000
2008	375,000	2028	4,455,000
2009	395,000	2029	4,740,000
2010	420,000	2030	5,035,000
2011	450,000	2031	5,355,000
2012	470,000	2032	5,690,000
2013	500,000	2033	6,050,000
2014	1,985,000	2034	6,435,000
2015	2,110,000	2035	6,835,000

### REDEMPTION

The County reserves the right to redeem in whole or in part the Bonds maturing on and after January 1, 2006, at the following times and prices expressed as a percentage of the principal amount to be redeemed, plus accrued interest to the date of redemption:

Redemption Periods	Redemption Prices
January 1, 2005 through July 1, 2005	102%
July 2, 2005 through July 1, 2006	101
July 2, 2006 and thereafter	100

The County shall deposit certain moneys as provided in the Bond Ordinance and shall retire by purchase or redemption pursuant to call the Bonds on or before January 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

### SECURITY

The County irrevocably has pledged to include in its budgets and to levy taxes annually that counties are permitted to levy without a vote of the people on all of the property within the County subject to taxation, in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and the full faith, credit and resources of the County have been pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest. The County has also pledged to pay the revenues of its Sewer System into the Bond Fund in amounts sufficient to pay principal of and interest on the Bonds.

### INTEREST RATES AND BIDDING INFORMATION

Bids must be submitted on the official bid forms that are contained in the Preliminary Official Statement, or on photocopies or facsimiles of such forms.

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that the Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of 1 percent, or both. No more than one rate of interest may be fixed for any one maturity, and no rate of interest for any maturity of the Bonds shall be less than the rate of interest for a prior maturity. No bid will be considered for the Bonds for less than an amount equal to 98 percent of par plus accrued interest or for less than the entire offering of Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Bonds.

For the purpose of comparison only and not as a part of the bid, each bid shall state the true interest cost of the bid determined in the manner hereinafter stated. The true interest cost will be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Bonds.

The County strongly encourages the inclusion of women and minority business enterprise firms in bidding syndication. Bidders are requested to provide a listing of any syndicate members with their bids or within 24 hours of submitting their bids.

### ISSUE PRICE INFORMATION

Upon award of the Bonds, the successful bidder shall advise the County and Bond Counsel of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel (a) confirming the initial Reoffering Prices, (b) certifying that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries), (c) stating the prices at which a substantial amount of each maturity of the Bonds was sold to the public (excluding bond houses, brokers, and other intermediaries), (d) stating the price at which any Bonds that remain unsold at the date of closing would have been sold on such date and (e) stating the offering price of each Bond sold to institutional or other investors at discount.

### BID DEPOSIT

All bids shall be without condition, shall be made only on official bid forms furnished by the County or on photocopies or facsimiles of such forms and shall be sealed and accompanied by a good faith deposit in the amount of \$900,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's or treasurer's check made payable to the order of the King County Finance Manager or a Financial Surety Bond. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County in care of the County Finance Manager prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its deposit to the County in the form of a certified or bank cashier's or treasurer's check or wire transfer as instructed by the County not later than 3:30 p.m., Seattle time, on the next business day following the award. If such deposit is not received by that time, the Financial Surety Bond may be drawn upon by the County to satisfy the deposit requirement. Each good faith deposit in a form other than a Financial Surety Bond shall be returned promptly if the bid is not accepted. The good faith deposit of the successful bidder shall be retained by the County as security for the performance of such bid and shall be applied to the purchase price of the Bonds upon the delivery of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the County. If the Bonds are ready for delivery and the successful bidder fails or neglects to complete the purchase of such Bonds within 40 days following the acceptance of its bid,

the good faith deposit shall be forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

#### **AWARD**

The Bonds will be sold to the bidder making a bid conforming to the terms of the offering and which, on the basis of the lowest true interest cost, is the best bid. If there are two or more equal bids and those bids are the best bids received, the County Council shall determine by lot which bid will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality or irregularity in the bid or bidding process. If all bids are rejected, then the Bonds may be readvertised for sale in the manner provided by law. Any bid presented after the time specified for the receipt of bids will not be accepted, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

#### **INSURANCE**

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

#### **DELIVERY**

The County will deliver the Bonds (consisting of one typewritten certificate for each maturity) to DTC in New York, New York, prior to the date of closing. Closing shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington on the date of delivery. Delivery is expected to be on or about May 24, 1995.

It is understood that if, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in the Official Statement for the Bonds, the successful bidder, at its option, may be relieved of its obligation to purchase the Bonds and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Preston Gates & Ellis, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond counsel's opinion shall express no opinion concerning the completeness or accuracy of any Official Statement, offering circular or any other sales material issued or used in connection with the Bonds. A no-litigation certificate will be included in the closing papers of the Bonds.

#### **CUSIP NUMBERS**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. All expenses in relation to the printing of the CUSIP numbers on the Bonds shall be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser.

#### **OFFICIAL STATEMENT AND OTHER INFORMATION**

A copy of the County's Preliminary Official Statement, dated April 24, 1995, may be obtained by contacting the County Finance Manager or either Lazard Frères & Co. or Seattle-Northwest Securities

Corporation, at the addresses and telephone numbers listed below. The Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the expense of the County, to the purchaser through its designated representative not later than seven business days after the County's acceptance of the purchaser's bid. The County will provide no more than 500 copies of the final Official Statement. Additional copies will be provided at the purchaser's expense.

By submitting the successful proposal, the purchaser's designated senior representative agrees to file, or cause to be filed, within one business day following the receipt from the County, the final Official Statement with a nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

The Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form) and further information regarding the details of the Bonds may be obtained upon request to the County Finance Manager, Room 611, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7326), or to either Lazard Frères & Co., One Rockefeller Plaza, New York, New York 10020 (telephone: (212) 632-6572), financial advisor to the County's Department of Metropolitan Services, or Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882), financial advisor to the County.

The County's unaudited financial statements for 1994 are expected to be released on or shortly after May 1, 1995. When released, copies of the 1994 financial statements will be available upon request to the County Finance Manager or to either Lazard Frères & Co. or Seattle-Northwest Securities Corporation. Notice of the availability of such financial statements, or any delay in their availability, will be communicated through Munifacts Wire Service.

DATED at Seattle, Washington, this 24th day of April, 1995.

/s/ Gerald A. Peterson  
Clerk of the Metropolitan King County Council



9551

**OFFICIAL BID FORM  
FOR THE PURCHASE OF  
\$90,000,000  
KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS  
(PAYABLE FROM SEWER REVENUES), 1995**

Mr. Gerald A. Peterson  
Clerk of the Metropolitan King County Council  
King County  
Seattle, Washington

Dear Sir:

For Ninety Million Dollars (\$90,000,000) par value Limited Tax General Obligation Bonds (Payable from Sewer Revenues), 1995 (the "Bonds"), of King County, Washington, dated May 1, 1995, described in the attached Official Notice of Bond Sale, which is hereby made a part of this bid, and for all but not less than all of the Bonds, with interest rates per annum on the Bonds maturing on January 1 in the years and amounts set forth in this Official Bid Form as indicated below:

Year	Amount	Rate	Serial Maturity	Amortization Installment	Year	Amount	Rate	Serial Maturity	Amortization Installment
1996	\$ 200,000				2016	\$ 785,000			
1997	210,000				2017	2,285,000			
1998	220,000				2018	2,430,000			
1999	235,000				2019	2,580,000			
2000	245,000				2020	2,740,000			
2001	255,000				2021	2,915,000			
2002	270,000				2022	3,095,000			
2003	285,000				2023	3,290,000			
2004	305,000				2024	3,495,000			
2005	315,000				2025	3,710,000			
2006	340,000				2026	3,945,000			
2007	355,000				2027	4,195,000			
2008	375,000				2028	4,455,000			
2009	395,000				2029	4,740,000			
2010	420,000				2030	5,035,000			
2011	450,000				2031	5,355,000			
2012	470,000				2032	5,690,000			
2013	500,000				2033	6,050,000			
2014	1,985,000				2034	6,435,000			
2015	2,110,000				2035	6,835,000			

We offer to pay the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) together with accrued interest, if any, to the date of delivery.

The amortization installments checked above, if any, shall be applied for mandatory redemption of Term Bonds maturing January 1, of the following year(s) in the following principal amount(s) and bearing interest as follows:

- \$ \_\_\_\_\_ Term Bonds maturing on January 1, \_\_\_\_\_ at \_\_\_\_\_ % per annum.
- \$ \_\_\_\_\_ Term Bonds maturing on January 1, \_\_\_\_\_ at \_\_\_\_\_ % per annum.
- \$ \_\_\_\_\_ Term Bonds maturing on January 1, \_\_\_\_\_ at \_\_\_\_\_ % per annum.

In accordance with the terms of the Official Notice of Bond Sale there is enclosed a Financial Surety Bond or a certified or bank cashier's or treasurer's check for \$900,000 payable to the order of the King County Finance Manager. The proceeds of this check are to be applied in accordance with the terms of the Official Notice of Bond Sale if the Bonds are awarded to us, or the check is to be returned to us if the Bonds are not awarded to us.

This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale which is attached hereto and made a part of this bid.

If our proposal to purchase the Bonds is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is \_\_\_\_\_ at the following telephone number: \_\_\_\_\_

Note: Not a part of the Proposal

Very truly yours,

Estimated true interest cost \_\_\_\_\_ %

Return of the good faith deposit in the amount of \$900,000 is hereby acknowledged

Representing: \_\_\_\_\_

For: \_\_\_\_\_

Representing: \_\_\_\_\_

(Please provide a list of the managers and account members of your bidding group.)

9551

OFFICIAL BID FORM  
FOR THE PURCHASE OF  
\$90,000,000  
KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS  
(PAYABLE FROM SEWER REVENUES), 1995

Mr. Gerald A. Peterson  
Clerk of the Metropolitan King County Council  
King County  
Seattle, Washington

Dear Sir:

For Ninety Million Dollars (\$90,000,000) par value Limited Tax General Obligation Bonds (Payable from Sewer Revenues), 1995 (the "Bonds"), of King County, Washington, dated May 1, 1995, described in the attached Official Notice of Bond Sale, which is hereby made a part of this bid, and for all but not less than all of the Bonds, with interest rates per annum on the Bonds maturing on January 1 in the years and amounts set forth in this Official Bid Form as indicated below:

Year	Amount	Rate	Serial Maturity	Amortization Installment	Year	Amount	Rate	Serial Maturity	Amortization Installment
1996	\$ 200,000	5.50	X		2016	\$ 785,000	6.00		X
1997	210,000	5.50	X		2017	2,285,000	6.00		X
1998	220,000	5.50	X		2018	2,430,000	6.00		X
1999	235,000	5.50	X		2019	2,580,000	6.00		X
2000	245,000	5.50	X		2020	2,740,000	6.00		X
2001	255,000	5.50	X		2021	2,915,000	6.00		X
2002	270,000	5.50	X		2022	3,095,000	6.00		X
2003	285,000	5.50	X		2023	3,290,000	6.00		X
2004	305,000	5.50	X		2024	3,495,000	6.00		X
2005	315,000	5.50	X		2025	3,710,000	6.00		X
2006	340,000	5.50	X		2026	3,945,000	6.00		X
2007	355,000	5.50	X		2027	4,195,000	6.00		X
2008	375,000	5.625	X		2028	4,455,000	6.125		X
2009	395,000	5.70	X		2029	4,740,000	6.125		X
2010	420,000	5.75	X		2030	5,035,000	6.125		X
2011	450,000	5.80	X		2031	5,355,000	6.125		X
2012	470,000	5.875	X		2032	5,690,000	6.125		X
2013	500,000	5.875	X		2033	6,050,000	6.125		X
2014	1,985,000	5.875	X		2034	6,435,000	6.25		X
2015	2,110,000	5.875	X		2035	6,835,000	6.25		X

We offer to pay the sum of \$ 88,213,737.65 Eighty Eight Million Two Hundred Thirty Seven Thousand Dollars (\$ 88,213,737.65) together with accrued interest, if any, to the date of delivery. Seven Hundred Thirty Seven Thousand Six Hundred Sixty Five Cents

The amortization installments checked above, if any, shall be applied for mandatory redemption of Term Bonds maturing January 1, of the following year(s) in the following principal amount(s) and bearing interest as follows:

\$ <u>20,120,000</u>	Term Bonds maturing on January 1, <u>2023</u> at <u>6</u> % per annum.
\$ <u>15,345,000</u>	Term Bonds maturing on January 1, <u>2027</u> at <u>6</u> % per annum.
\$ <u>31,325,000</u>	Term Bonds maturing on January 1, <u>2033</u> at <u>6.125</u> % per annum.

In accordance with the terms of the Official Notice of Bond Sale there is enclosed a Financial Surety Bond or a certified or bank cashier's or treasurer's check for \$900,000 payable to the order of the King County Finance Manager. The proceeds of this check are to be applied in accordance with the terms of the Official Notice of Bond Sale if the Bonds are awarded to us, or the check is to be returned to us if the Bonds are not awarded to us.

This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale which is attached hereto and made a part of this bid.

If our proposal to purchase the Bonds is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is Linda Antonelli at the following telephone number: 212-528-1001.

Note: Not a part of the Proposal  
Estimated true interest cost 6.27020 %

Very truly yours,

Return of the good faith deposit in the amount of \$900,000 is hereby acknowledged

Representing: Lehman Brothers  
For: Peter Coleman  
Peter Coleman, Managing Director  
For the Managers

Representing: \_\_\_\_\_

(Please provide a list of the managers and account members of your bidding group.)

13,270,000  
6,835,000 due 1-1-35 @ 6.25%