

MOTION NO. **9756**

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A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996, Series A, in the aggregate principal amount of not to exceed \$155,000,000; fixing the interest rates and other terms of the bonds; approving a plan of refunding certain outstanding limited tax general obligation bonds of the county and authorizing the county's treasury division manager to establish the final maturity schedule for such bonds and to report to the council; and approving an undertaking for ongoing disclosure, all in accordance with Ordinance No. 12070 of the county.

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WHEREAS, the county council by Ordinance No. 12070 passed December 18, 1995 (the "Bond Ordinance"), authorized the issuance and sale of the county's limited tax general obligation bonds in the principal amount of not to exceed \$172,650,000 (the "Bonds") for the purpose of financing various projects set forth in the Bond Ordinance including refunding certain outstanding limited tax general obligation bonds of the county; and

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WHEREAS, it is necessary that the Bonds be issued in two series, the first such series to be designated "King County, Washington, Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996, Series A"; and

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WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated January 12, 1996 has been prepared for the public sale of the Series A Bonds, the official notice of such sale (the "Notice") has been duly published, and bids have been received in accordance with the Notice; and

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

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WHEREAS, in accordance with the Bond Ordinance, the Council wishes to authorize and approve the final plan of refunding of certain outstanding limited tax general obligation bonds of the county; and

WHEREAS, the exact amount of the Series A Bonds required for the refunding of the outstanding bonds cannot be determined until the prices of certain government obligations acquired to defease the outstanding bonds are established; and

WHEREAS, in accordance with the Bond Ordinance, the Council wishes to establish the terms for ongoing disclosure with respect to the Bonds in compliance with SEC Rule 15c2-12;

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

A. Definitions. Except as expressly authorized herein, capitalized terms used in this motion have the meanings set forth in the Bond Ordinance.

"Series A Bonds" means the county's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996, Series A, authorized to be issued pursuant to the Bond Ordinance and this motion.

B. Ratification of Notice of Sale, Acceptance of Bid, and Authorization of Series A Bonds. The issuance of a first series of the Bonds, designated as the county's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996, Series A, and the terms and conditions thereof set forth in the Official Notice of Bond Sale, attached hereto as Exhibit A (the "Notice"), are hereby ratified and confirmed, and the bid to purchase the Series A Bonds, as set forth in the Purchaser's bid attached hereto as Exhibit B, is hereby accepted. The Series A 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.

The Series A Bonds shall be subject to optional redemption as set forth in the Notice.

The council hereby delegates to the county treasury division manager the authority to determine the final principal maturity amounts and the aggregate principal amount of Series A Bonds in order to accomplish the plan of refunding set forth below; provided, however, that the aggregate principal amount shall not exceed \$155,000,000. The county treasury division manager shall report to the council within 24 hours regarding the principal maturity amounts and aggregate principal amount of the Series A Bonds.

C. Refunding and Redemption of Refunded Bonds.

1. Plan of Refunding. In accordance with Section 20 of the Bond Ordinance, the plan of refunding the Refunded 1986A Bonds and the Refunded 1990B Bonds (collectively, the "Refunded Bonds"), as determined by the county treasury division manager in consultation with the county's financial advisors, is set forth herein and ratified and confirmed hereby. As provided in the Bond Ordinance, proceeds of the Refunding Bonds shall be deposited in the Refunding Account and used, together with other funds of the county, if necessary, to purchase the Acquired Obligations, bearing such interest and maturing as to principal and interest in such

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amounts and at such times which, together with any necessary beginning cash balance, will
1 provide for the payment of:

2 (a) the interest on the 1986A Bonds maturing on and after December 1, 1997
3 (the "Refunded 1986A Bonds") due and payable on and prior to December 1, 1996;

4 (b) the redemption price (100% of the principal amount) payable on
5 December 1, 1996, of the Refunded 1986A Bonds;

6 (c) the interest on the 1990B Bonds maturing on and after December 1, 2001
7 (the "Refunded 1990B Bonds") due and payable on and prior to December 1, 2000; and

8 (d) the redemption price (100% of the principal amount) payable on
9 December 1, 2000, of the Refunded 1990B Bonds.

10 For the purpose of effecting delivery of the Acquired Obligations to be held by the
11 Escrow Agent, the county treasury division manager is further authorized to enter into a
12 forward purchase agreement for securities in such form as shall be approved by the Escrow
13 Agent and bond counsel for the county. Any beginning cash balance and the Acquired
14 Obligations shall be irrevocably deposited with the Escrow Agent in an amount sufficient to
15 defease the Refunded Bonds in accordance with this section C. Any amounts described above
16 that are not provided for in full by such beginning cash balance and the purchase and deposit
17 with the Escrow Agent of the Acquired Obligations described in this section shall be provided
18 for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Series
19 A Bonds or any other money of the county legally available therefor. The proceeds of the
20 Series A Bonds remaining in the 1996 Refunding Account after acquisition of the Acquired
21 Obligations and provision for the necessary beginning cash balance shall be utilized to pay
22 expenses of the acquisition and safekeeping of the Acquired Obligations and the costs of
23 issuing the Series A Bonds. The county may, from time to time, transfer, or cause to be
24 transferred, from the 1996 Refunding Account any money not thereafter required for the
25 purposes set forth in subparagraphs (a) through (d) above, subject to verification in writing by
26 an independent certified public accountant that such transfer will not result in inadequate funds
27 being available to make the required payments therefrom. The county reserves the right to
28 substitute other securities for the Acquired Obligations in the event it may do so pursuant to
29 Section 148 of the Code and applicable regulations thereunder, upon compliance with the
30 conditions set forth in the Escrow Agreement.

31 2. Redemption of Refunded Bonds. The county hereby irrevocably sets aside
32 sufficient funds through the purchase of Acquired Obligations and an initial cash deposit to
33 make the payments, as specified in subparagraphs (a) through (d) above.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations and the requisite cash deposit, if any, to the Escrow Agent, except as provided herein relating to the substitution of securities. The county treasury division manager is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance.

The Escrow Agent is hereby authorized and directed to notify the fiscal agency of the State of Washington to give notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of Ordinance Nos. 7710 and 9403. The county treasury division manager is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the county.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington sums sufficient to pay, when due, the payments specified in subparagraphs (a) through (d) above. All such sums shall be paid from the money and Acquired Obligations deposited with said Escrow Agent pursuant to this section, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the 1996 Refunding Account. All money and Acquired Obligations deposited with said Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the county and the owners of the Refunded Bonds.

D. Undertaking to Provide Ongoing Disclosure.

1. Contract/Undertaking. This section D constitutes the county's written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

2. Financial Statements/Operating Data. The county agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the Commission in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 1997 for the fiscal year ended December 31, 1996):

(a) Annual financial statements prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Appendix A: 1994 Financial Statements";

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

(c) Property taxes due, property taxes collected and property taxes delinquent;

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

(e) Outstanding general obligation debt of the county.

Such annual information and operating data described above shall be provided on or before seven months after the end of the county's fiscal year. The county's fiscal year currently ends December 31. The county may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the county may cross-reference to other documents provided to the NRMSIR, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the county shall provide the county's audited annual financial statement prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to each then existing NRMSIR and the SID, if any.

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

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(g) Modifications to rights of Bond holders;

(h) Optional redemption of Bonds prior to their maturity;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Bonds; and

(k) Rating changes.

With reference to items (c) and (j) above, no debt service reserves secure payment of the Bonds and no property secures repayment of the Bonds. If the county subsequently chooses to establish any debt service reserves or to provide property as security for the Bonds, the county will provide notice of such establishment or provision and will provide notice of material events relating thereto, should such events occur.

The only non-payment related default to which item (b) above applies is a failure to levy taxes as provided in Section 23 of the Bond Ordinance.

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

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

Notwithstanding any other provision of this motion, the county may amend this section D, and any provision of this section D may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of sections D.1.(a)-(e) or D.3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the county with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of the Bonds or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this section D, the county shall describe such amendment in the next annual report, and shall include, as applicable, a

1 narrative explanation of the reason for the amendment or waiver and its impact on the type (or
2 in the case of a change of accounting principles, on the presentation) of financial information or
3 operating data being presented by the county. In addition, if the amendment relates to the
4 accounting principles to be followed in preparing financial statements, (i) notice of such change
5 shall be given in the same manner as for a material event under subsection 3, and (ii) the annual
6 report for the year in which the change is made should present a comparison (in narrative form
7 and also, if feasible, in quantitative form) between the financial statements as prepared on the
8 basis of the new accounting principles and those prepared on the basis of the former accounting
9 principles.

10 6. Bond Owner's Remedies Under This Section. The right of any Bond Owner or
11 Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to
12 obtain specific enforcement of the county's obligations hereunder, and any failure by the county
13 to comply with the provisions of this undertaking shall not be an event of default with respect
14 to the Bonds hereunder. For purposes of this section, "Beneficial Owner" means any person
15 who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of
16 ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

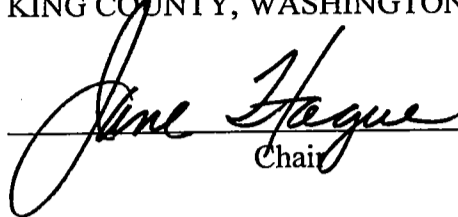
17 E. Further Authority. The county officials, their agents, and representatives are
18 hereby authorized and directed to do everything necessary for the prompt issuance and delivery
19 of the Series A Bonds and for the proper use and application of the proceeds of such sale.

20 F. Severability. The covenants contained in this motion shall constitute a contract
21 between the county and the owners of each and every Series A Bond. If any one or more of the
22 covenants or agreements provided in this motion to be performed on the part of the county shall
23 be declared by any court of competent jurisdiction to be contrary to law, then such covenant or
24 covenants, agreement or agreements, shall be null and void and shall be deemed separable from
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the remaining covenants and agreements of this motion and shall in no way affect the validity of the other provisions of this motion or of the Series A Bonds.

PASSED by a vote of 13 to 0 this 22nd day of January, 1996.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Chair

ATTEST:


Clerk of the Council

Attachments: Exhibit A - Official Notice of Bond Sale
Exhibit B - Winning Bid for Series A Bonds

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EXHIBIT A

Official Notice of Bond Sale

\$149,110,000*
King County, Washington
Limited Tax General Obligation and Refunding
Bonds (Various Purpose), 1996 Series A

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 620, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, until 10:00 a.m., Pacific Standard Time, on

January 22, 1996

or on such later date or time as may be established by the King County Treasury Division Manager (the "Treasury Division 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 Treasury Division 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 February 1, 1996. Interest on the Bonds will be payable on July 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 Cege & 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 due in the years specified by the bidder.

* Preliminary, subject to change

Serial Maturity or Amortization Installment	Principal Amounts*	Serial Maturity or Amortization Installment	Principal Amounts*
1997	\$ 8,450,000	2007	\$ 6,045,000
1998	9,225,000	2008	6,350,000
1999	9,620,000	2009	6,685,000
2000	10,030,000	2010	5,795,000
2001	11,170,000	2011	6,105,000
2002	6,230,000	2012	6,425,000
2003	6,520,000	2013	6,780,000
2004	6,685,000	2014	7,145,000
2005	7,000,000	2015	7,540,000
2006	7,350,000	2016	7,960,000

Adjustment of Principal Amounts and Bid Price

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed ten percent (10%) following the opening of the bids. No single preliminary principal amount of any maturity will be increased or decreased by more than ten percent (10%). The price bid by the successful bidder will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount and maturity schedule within 24 hours of the bid opening.

Redemption

Bonds maturing through January 1, 2006, inclusive, are not subject to redemption prior to their stated maturity dates. The County has reserved the right and option to redeem Bonds maturing on or after January 1, 2007, beginning on January 1, 2006, as a whole or in part at any time, with the maturities to be redeemed to be selected by the County (and by lot within a maturity in such manner as the Bond Registrar will determine), at par plus accrued interest to the date fixed for redemption.

The County will deposit in the Bond Fund certain moneys, as provided in the Bond Ordinance, and will 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 of term bonds, as provided for above.

Any Bond in the principal amount of greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of that Bond at either of the principal offices of the Bond Registrar, a new Bond or Bonds, at the option of the registered owner, of the same interest rate and maturity in the aggregate principal amount remaining unredeemed, will be issued to the registered owner in the denomination of \$5,000 or any integral multiple thereof, and will be authenticated and delivered to such registered owner without charge.

The County further has reserved the right and option to purchase any or all of the Bonds in the open market at any time and at any price.

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.

* Preliminary, subject to change

Interest Rates and Bidding Information

Bids must be submitted on the Official Bid Form that is contained in the Preliminary Official Statement, or on photocopies of such form.

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. The maximum differential between the lowest and highest interest rates named in any bid shall not exceed 4 percentage points. No bid will be considered for the Bonds for less than an amount equal to 99 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 comparing bids only, the interest rates bid being controlling, 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 syndicates. Bidders are requested to provide a list 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 the Bonds were awarded at which any Bonds that remain unsold at the date of closing would have been sold on the date the Bonds were awarded, and (e) 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 the Official Bid Form furnished by the County or on photocopies of such form and shall be sealed and accompanied by a good faith deposit in the amount of \$1,500,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division 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 Treasury Division 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., Pacific Standard 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 will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Bonds on the delivery of such 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 to complete the purchase of such Bonds within 40 days following the acceptance of its bid, the good faith deposit will 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 will 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 in the bidding or bidding process, and, if all bids for an offering are rejected, that Bond Offering may be readvertised for sale in the manner provided by law and as provided above. Any bid presented after the time specified for the receipt of bids will not be received, 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 mid- to late-February 1996.

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 will 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.

Ongoing Disclosure Undertaking

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the Sale Motion, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.

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 will 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 will 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 (with the Official Notice of Bond Sale and the Official Bid Form), dated January 12, 1996, and further information regarding the details of the Bonds may be obtained upon request to the King County Treasury Division Manager, Room 611, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7326), or the County's financial advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

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 not later than seven business days after the County's acceptance of the purchaser's bid. The County will deliver 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 each nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

At the time of the delivery of the Bonds, one or more officials of the County will furnish a certificate stating that to the best of his or her knowledge and belief at the time of the acceptance of the bid for and at the time of delivery of the Bonds, this Official Statement and information furnished by the County supplemental thereto did not and do not contain any untrue statements of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in any material respect.

The County will advise the managing underwriter, by written notice, of any "developments that impact the accuracy and completeness of the key presentations" (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final Official Statement has been filed with each municipal securities information repository, in which event such period will end on the 25th day.

DATED at Seattle, Washington, this 12th day of January, 1996.

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

Official Bid Form
Proposal for the Purchase of \$149,110,000*
King County, Washington
Limited Tax General Obligation Bonds and Refunding
(Various Purpose), 1996 Series A

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

Dear Sir:
 For One Hundred Forty-Nine Million One Hundred and Ten Thousand Dollars (\$149,110,000*) par value Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A (the "Bonds"), of King County, Washington, dated February 1, 1996, 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
1997	\$ 8,450,000	5.00%	✓	
1998	9,225,000		✓	
1999	9,620,000		✓	
2000	10,030,000		✓	
2001	11,170,000		✓	
2002	6,230,000		✓	
2003	6,520,000		✓	
2004	6,685,000		✓	
2005	7,000,000		✓	
2006	7,350,000		✓	
2007	6,045,000		✓	
2008	6,350,000		✓	
2009	6,685,000		✓	
2010	5,795,000		✓	
2011	6,105,000	5.125	✓	
2012	6,425,000	5.125	✓	
2013	6,780,000	5.25	✓	
2014	7,145,000		✓	
2015	7,540,000		✓	
2016	7,960,000		✓	

We offer to pay the sum of: One hundred fifty and one mill one thirty eight thousand ^{one hundred thirty nine thousand} Dollars (\$ 151,038,439.05)

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 due January 1, of the following year(s) in the following principal amount(s) and bearing interest as follows:

- \$ _____ Term Bonds due on January 1, _____ at _____ % per annum.
- \$ _____ Term Bonds due on January 1, _____ at _____ % per annum.
- \$ _____ Term Bonds due on January 1, _____ at _____ % per annum.

In accordance with the terms of the Official Notice of Bond Sale there is enclosed a certified or bank cashier's check for \$1,500,000 payable to the order of the King County Treasury Division Manager or a financial surety bond has been provided to the County in such amount. 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 Christine O'Donnell at the following telephone number: 212-778-2819.

Very truly yours,

JM A Lewis

Return of the good faith deposit in the amount of \$1,500,000 is hereby acknowledged

Representing: Prudential Securities

For: _____

Representing: _____

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

Note: Not a part of the Proposal

Estimated true interest cost 4.9188 %

PARTICIPATION

PRUDENTIAL SECURITIES INCORPORATED	MGR	\$17,000,000.00
DAIN FOSWORTH INCORPORATED	CMR	17,000,000.00
ASN AMRO SECURITIES	CMR	17,000,000.00
<i>Griffin, Kubik, Stephens & Thompson Inc</i>	CMR	17,000,000.00
GEORGE K. BAUM & COMPANY	CMR	17,000,000.00
TUCKER ANTHONY INCORPORATED	CMR	17,000,000.00
MORGAN KEEGAN & CO., INC.		5,000,000.00
PIPER, JAFFRAY INC.		5,000,000.00
A.G. EDWARDS & SONS, INC.		1,000,000.00
BARR BROTHERS & CO. INC.		1,000,000.00
GOLDEN HARRIS CAPITAL GROUP		1,000,000.00
* BELLE HAVEN INVESTMENTS, INC.		1,000,000.00
* CORBY NORTH BRIDGE SECURITIES		1,000,000.00
FERRIS, BAKER WATTS INC.		1,000,000.00
GREENWICH PARTNERS		1,000,000.00
NORTHERN TRUST SECURITIES, INC.		1,000,000.00
MCDONALD & COMPANY SECURITIES, INC.		1,000,000.00
OPPENHEIMER & CO., INC.		1,000,000.00
RAUSCHER PIERCE REFSNES, INC.		1,000,000.00
SECURITIES CORPORATION OF IOWA		1,000,000.00
ROBERT W. BAIRD & CO., INC.		1,000,000.00
J.C. BRADFORD & CO.		1,000,000.00
THE GMS GROUP INC.		1,000,000.00
CAMBRIDGE PARTNERS LLC		1,000,000.00
HANIFEN IMHOFF, INC.		1,000,000.00
HUTCHINSON, SHOCKEY, ERLEY & CO.		1,000,000.00
RESIROW FINANCIAL INC.		1,000,000.00
COMMONWEALTH SECURITIES & INVESTMENTS		1,000,000.00
BANC ONE CAPITAL CORP.		1,000,000.00
* MUETEL SIEBERT & CO., INC.		1,000,000.00
* GATES CAPITAL CORPORATION		1,000,000.00
CREWS & ASSOCIATES, INC.		500,000.00
IN ASSOCIATION WITH		
HARRIS TRUST AND SAVINGS BANK	MGR	17,000,000.00
IN ASSOCIATION WITH		
FIRST CHICAGO CAPITAL MARKETS, INC.	MGR	17,000,000.00
IN ASSOCIATION WITH		
SEATTLE-FIRST NATIONAL BANK	MGR	17,000,000.00
U.S. BANK OF WASHINGTON, NATIONAL ASSOCA	CMR	17,000,000.00
FIRST INTERSTATE BANK OF ARIZONA		1,000,000.00

		204,500,000.00
OVER UNDERWRITTEN		55,390,000.00

* Ramirez

1,000,000

* MWBE