

6/23/98

clerk 6/24/98, 9/24/98

Introduced By: Rob McKenna
Greg Nickels

Proposed No.: 98-396

MOTION NO. **10560**

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A MOTION of the county council accepting bids for the purchase of the county's Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues), 1998, Series B, in the aggregate principal amount of \$261,625,000; fixing the interest rates and other terms of such bonds; ratifying and confirming a plan of refunding certain outstanding sewer revenue bonds of the county and establishing the final maturity schedule for the refunding bonds, all in accordance with Ordinance 13256 of the county.

WHEREAS, the county council by Ordinance 13256 passed August 31, 1998 (the "Bond Ordinance"), authorized the issuance and sale of the county's limited tax general obligation refunding bonds (payable from sewer revenues) in the aggregate principal amount of not to exceed \$350,070,000 for the purpose of refunding certain outstanding sewer revenue bonds of the county (the "Bonds"); and

WHEREAS, the Bond Ordinance provided that the Bonds be sold at public sale as determined by the finance director in consultation with the county's financial advisors; and

WHEREAS, the finance director has determined that the Bonds be sold as provided herein; and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated September 9, 1998 has been prepared for the public sale of the Bonds, the official notice of

1 such sale (the "Notice") has been duly published, and bids have been received in
2 accordance with the Notice; and

3 WHEREAS, the attached bid of Goldman, Sachs & Co. ("Goldman Sachs") to
4 purchase the Bonds is the best bid received for such bonds, and it is in the best interest of
5 the county that the Bonds be sold to Goldman Sachs on the terms set forth in the Notice,
6 the attached bid, the Bond Ordinance and this motion; and

7 WHEREAS, in accordance with the Bond Ordinance, the Council wishes to ratify
8 and confirm the final plan of refunding of certain outstanding sewer revenue bonds of the
9 county from proceeds of the Bonds, as set forth herein;

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

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

13 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of
14 Bonds. The issuance of the Bonds, designated as the county's Limited Tax General
15 Obligation Refunding Bonds (Payable from Sewer Revenues), 1998, Series B, in the
16 aggregate principal amount of \$261,625,000, and the terms and conditions thereof set forth
17 in the Official Notice of Bond Sale, attached hereto as Exhibit A (the "Notice"), are hereby
18 ratified and confirmed; and the bid to purchase the Bonds, as set forth in the purchaser's
19 bid attached hereto as Exhibit B, is hereby accepted, except as modified with respect to
20 maturity amounts. The Bonds shall mature in the amounts and on the dates and shall bear
21 interest at the rates set forth on Exhibit C and shall conform in all other respects to the
22 terms and conditions specified in the Notice and Bond Ordinance. The Bonds maturing in

1 years 2020, 2024, 2030 and 2034 are Term Bonds subject to mandatory sinking fund
2 redemptions as set forth in Exhibit B.

3 The Bonds shall also be subject to optional redemption as set forth in the Notice.

4 C. Refunding and Redemption of Refunded Bonds.

5 1. Plan of Refunding. In accordance with Section 16 of the Bond
6 Ordinance, the finance director has determined, in consultation with the county's financial
7 advisors, that proceeds of the Bonds shall be used to refund, on January 1, 2003, the
8 Series W Bonds maturing on and after January 1, 2017 (the "Refunded Series W Bonds")
9 and on January 1, 2004, the 1994A Bonds maturing on and after January 1, 2005 (the
10 "Refunded 1994A Bonds") (collectively, the "Refunded Bonds"), and such plan of
11 refunding is hereby ratified and confirmed.

12 As provided in the Bond Ordinance, proceeds of the Bonds shall be deposited in the
13 Refunding Account and used, together with other funds of the county, if necessary, to
14 purchase certain "Government Obligations" as such obligations are defined in
15 Chapter 39.53 RCW as now or hereafter amended (which obligations so purchased, are
16 herein called "Acquired Obligations"), bearing such interest and maturing as to principal
17 and interest in such amounts and at such times which, together with any necessary
18 beginning cash balance, will provide for the payment of:

19 (a) The interest on the Refunded Series W Bonds due and payable on and prior
20 to January 1, 2003;

21 (b) The redemption price (102% of the principal amount) payable on
22 January 1, 2003 of the Refunded Series W Bonds;

1 (c) The interest on the Refunded 1994A Bonds due and payable on and prior to
2 January 1, 2004; and

3 (d) The redemption price (102% of the principal amount) payable on
4 January 1, 2004 of the Refunded 1994A Bonds.

5 Any beginning cash balance and the Acquired Obligations shall be irrevocably
6 deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds in
7 accordance with this Section C. Any amounts described above that are not provided for in
8 full by such beginning cash balance and the purchase and deposit with the Escrow Agent of
9 the Acquired Obligations described in this section shall be provided for by the irrevocable
10 deposit of the necessary amount out of the proceeds of sale of the Bonds or any other
11 money of the county legally available therefor. The proceeds of the Bonds remaining in
12 the Refunding Account after acquisition of the Acquired Obligations and provision for the
13 necessary beginning cash balance shall be utilized to pay expenses of the acquisition and
14 safekeeping of the Acquired Obligations and the costs of issuing the Bonds. The county
15 may, from time to time, transfer, or cause to be transferred, from the Refunding Account
16 any money not thereafter required for the purposes set forth in subparagraphs (a) through
17 (d) above, subject to verification in writing by an independent certified public accountant
18 that such transfer will not result in inadequate funds being available to make the required
19 payments therefrom. The county reserves the right to substitute other securities for the
20 Acquired Obligations in the event it may do so pursuant to Section 148 of the Code and
21 applicable regulations thereunder, upon compliance with the conditions set forth in the
22 Escrow Agreement.

1 The selection of U.S. Bank Trust National Association as Escrow Agent is hereby
2 ratified and confirmed.

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

6 The county hereby irrevocably defeases and calls for redemption on the first of
7 January in 2003 and 2004, the Refunded Series W Bonds and the Refunded 1994A Bonds,
8 respectively, in accordance with the provisions of the Refunded Bond Ordinances
9 authorizing the redemption and retirement of certain of the Refunded Bonds prior to their
10 fixed maturities.

11 The county hereby irrevocably sets aside sufficient funds through the purchase of
12 Acquired Obligations and an initial cash deposit to make the payments, as specified in
13 subparagraphs (a) through (d) in Section C.1. above.

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

19 The Escrow Agent is hereby authorized and directed to notify the fiscal agency of
20 the State of Washington to give notice of the redemption of the Refunded Bonds in
21 accordance with the applicable provisions of the Refunded Bond Ordinances. The finance
22 director is authorized and requested to provide whatever assistance is necessary to

1 accomplish such redemption and the giving of notice therefor. The costs of publication of
2 such notice shall be an expense of the county.

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

12 3. Findings of Defeasance. This council hereby finds and determines
13 that the Acquired Obligations to be deposited with the Escrow Agent and the income
14 therefrom, together with any necessary beginning cash balance, are sufficient to defease
15 and redeem the above-referenced Refunded Bonds and will discharge and satisfy the
16 obligations of the county with respect to such Refunded Bonds under the Refunded Bond
17 Ordinances and the pledges of the county therein. Immediately upon the delivery of such
18 Acquired Obligations to the Escrow Agent and the deposit of any necessary beginning cash
19 balance, such Refunded Bonds shall be deemed not to be outstanding under their respective
20 Refunded Bond Ordinances and shall cease to be entitled to any lien, benefit or security
21 under such ordinances except the right to receive payment from the Acquired Obligations
22 and beginning cash balance so set aside and pledged.

23 D. Undertaking to Provide Ongoing Disclosure.

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

4 2. Financial Statements/Operating Data. The county agrees to provide
5 or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated
6 by the Commission in accordance with the Rule, the following annual financial
7 information and operating data for the prior fiscal year (commencing in 1999 for the fiscal
8 year ended December 31, 1998):

9 (a) Annual financial statements, which statements may or may
10 not be audited, showing end fund balance for the country's general
11 fund prepared in accordance with the Budget Accounting and
12 Reporting System prescribed by the Washington State Auditor
13 pursuant to RCW 43.09.200 (or any successor statute) and generally
14 of the type included in the official statement for the Bonds under the
15 heading "Appendix B: Audited 1996 Financial Statements";

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

17 (c) Ad valorem taxes due and percentage of taxes collected;

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

19 (e) Outstanding general obligation debt of the county; and

20 (f) Information regarding customers, revenues and expenses of
21 the sewer system generally in the form set forth in the Official
22 Statement for the Bonds in the table labeled "Summary of Historical
23 Sewer System Customers, Revenues and Expenses."

1 Items (b) – (f) shall be required only to the extent that such information is not
2 included in the annual financial statements.

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

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

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

- 20 (a) Principal and interest payment delinquencies;
- 21 (b) Non-payment related defaults;
- 22 (c) Unscheduled draws on debt service reserves reflecting
23 financial difficulties;

- 1 (d) Unscheduled draws on credit enhancements reflecting
2 financial difficulties;
- 3 (e) Substitution of credit or liquidity providers, or their failure to
4 perform;
- 5 (f) Adverse tax opinions or events affecting the tax-exempt
6 status of the Bonds;
- 7 (g) Modifications to rights of Bond holders;
- 8 (h) Optional, contingent or unscheduled calls of any Bonds other
9 than scheduled sinking fund redemptions for which notice is given
10 pursuant to Exchange Act Release 34-23856;
- 11 (i) Defeasances;
- 12 (j) Release, substitution or sale of property securing repayment
13 of the Bonds; and
- 14 (k) Rating changes.

15 Solely for purposes of disclosure, and not intending to modify this undertaking, the
16 county advises with reference to items (d) and (j) above that no credit enhancements or
17 property secure payment of the Bonds.

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

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

9 Notwithstanding any other provision of this motion, the county may amend this
10 Section D, and any provision of this Section D may be waived, with an approving opinion
11 of nationally recognized bond counsel and in accordance with the Rule.

12 In the event of any amendment or waiver of a provision of this Section D, the
13 county shall describe such amendment in the next annual report, and shall include, as
14 applicable, a narrative explanation of the reason for the amendment or waiver and its
15 impact on the type (or in the case of a change of accounting principles, on the presentation)
16 of financial information or operating data being presented by the county. In addition, if the
17 amendment relates to the accounting principles to be followed in preparing financial
18 statements, (i) notice of such change shall be given in the same manner as for a material
19 event under subsection 3, and (ii) the annual report for the year in which the change is
20 made should present a comparison (in narrative form and also, if feasible, in quantitative
21 form) between the financial statements as prepared on the basis of the new accounting
22 principles and those prepared on the basis of the former accounting principles.

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

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

12 F. Severability. If any provision in this motion is declared by any court of
13 competent jurisdiction to be contrary to law, then such provision shall be null and void and

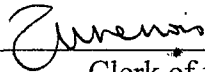
1 shall be deemed separable from the remaining provisions of this motion and shall in no
2 way affect the validity of the other provisions of this motion or of the Bonds.

3 PASSED by a vote of 11 to 0 this 28th day of September,
4 1998

5 KING COUNTY COUNCIL
6 KING COUNTY, WASHINGTON

7 
8 Chair

9 ATTEST:

10 
11 Clerk of the Council

12 Attachments: Exhibit A - Official Notice of Bond Sale
13 Exhibit B - Winning Bid for the Bonds
14 Exhibit C - Final Maturity Amounts and Interest Rates

10560

Official Notice of Bond Sale**\$345,285,000*****King County, Washington****Limited Tax General Obligation Refunding Bonds
(Payable From Sewer Revenues), 1998 Series B**

Sealed and electronic (as explained below) bids for the above-referenced bonds of King County, Washington (the "County"), will be received, in the case of sealed bonds, at the County's Purchasing Office, Room 610, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, and, in the case of electronic bids, via *PARITY*, in the manner described below, until 9:00 a.m., Pacific Daylight time, on

September 21, 1998

or on such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network 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.

Bids must be submitted either:

- (a) In a sealed envelope to the Finance Director as described above; or
- (b) Electronically via *PARITY* in accordance with its Rules of Participation and this notice, between 8:30 a.m. and 9:00 a.m. local time, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice conflicting with those *PARITY* Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile transmission to the Finance Director at (206) 727-6814. For further information about *PARITY*, potential bidders may contact the financial advisor to the City or *PARITY* at 500 Main Street, Suite 1010, Fort Worth, Texas 76302, telephone (817) 885-8900.

If all bids for the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for such Bonds by giving notice communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network 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 the Bonds**Bond Details**

The Bonds will be dated September 15, 1998. The Bonds bear interest payable on January 1, 1999, 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 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 either of the fiscal agencies of the State of Washington, currently The Bank of New York in New York, New York, and Wells Fargo Bank, National Association, in Seattle, Washington, 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.

* Preliminary, subject to change

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.

Optional Redemption

The County reserves the right to redeem outstanding Bonds maturing on or after January 1, 2009, in whole or in part at any time on or after January 1, 2008, at the prices shown below, which are expressed as a percentage of the principal amount of the Bonds, plus accrued interest, if any, to the date of redemption.

<u>Redemption Period</u>	<u>Redemption Price</u>
January 1, 2008, through December 31, 2008	101.0%
January 1, 2009, through December 31, 2009	100.5
January 1, 2010, and thereafter	100.0

If less than all of the Bonds subject to optional redemption are called for redemption, the County will choose the maturities to be redeemed. If less than all of a maturity is called for redemption, the Bonds to be redeemed will be chosen by lot by the Registrar. So long as the Bonds are registered in the name of Cede & Co. or its registered assign, the Bonds to be redeemed will be chosen by lot by DTC. See Appendix D—Book-Entry Only System.

Security

The Bonds are general obligations of King County, Washington. The County has pledged to include in its budget and levy an *ad valorem* tax annually on all the property within the County subject to taxation in an amount that will be sufficient, together with money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The full faith, credit and resources of the County have been pledged irrevocably for the annual levy and collection of these taxes and for the prompt payment of the principal of and interest on the Bonds as the same will become due.

The Bonds are secured additionally by a pledge of revenues of the Sewer System of the County. The lien of the Bonds on sewer revenues is subordinate to the lien securing the outstanding Parity Bonds, subordinate to the lien securing payments required by the 1990 SRF Loan Agreement, equal to the lien securing Outstanding Parity Lien Obligations, and superior to all other liens and charges on such revenue.

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 or electronically via *PARITY*.

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 one percent, or both. No more than one rate of interest may be fixed for any one maturity. The interest rate for any maturity of the Bonds shall not be less than the interest rate stated for any earlier maturity. 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 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) 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 the Official Bid Form furnished by the County or on photocopies of such form or electronically via *PARITY* and shall be sealed and accompanied by a good faith deposit in the amount of \$3,000,000. The good faith deposit shall be in the form of either a financial surety bond or a certified or bank cashier's check each payable to the order of the King County Treasury Division Manager.

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 received by the County's Financial Advisor prior to the bid opening and 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, that bidder shall submit its good faith deposit to the County in the form of a certified or bank cashier's check or by wire transfer no later than 3:30 p.m., Pacific Daylight Time, on the next business day following the award. If such deposit is not received by that time, the County may draw on the financial surety bond 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 the successful bid and will 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 50 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. If all bids are rejected, the Bonds may be offered 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, 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 but shall not, in any event, be paid by the County. 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 immediately available federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be October 8, 1998.

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 LLP, 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 accuracy, completeness or sufficiency of the Official Statement, or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel expressed relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate will be included in the closing papers of the Bonds.

Continuing 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

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 King County Finance Director, 6th Floor, 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 that will be 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 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,

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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 9th day of September, 1998.

/s/ Anne Noris
Clerk of the Metropolitan King County Council

105607

**AMENDMENT OF THE NOTICE OF SALE FOR THE \$345,285,000* LIMITED TAX
GENERAL OBLIGATION REFUNDING BONDS (PAYABLE FROM SEWER
REVENUES) 1998 SERIES B**

King County, Washington amends the Notice of Sale for its \$345,285,000* Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues) 1998 Series B as follows.

Sale Date and Time

Sealed and electronic bids will be received until 9:00 a.m. Pacific Daylight Time on **September 28, 1998.**

Possible Change in the Par Amount of the Bonds

Depending upon interest rate levels and reinvestment rates, a portion of the refunding may not meet the County's refunding savings targets. On Friday, September 25, 1998, the County will make a final decision regarding the bonds to be refunded, which, in turn will determine the preliminary par amount of the Bonds. The County expects to communicate any changes in the par amount of the Bonds through TM3, the Bond Buyer*Wire or the Bloomberg News Network. In addition, bidders or bidding groups should contact Seattle-Northwest Securities Corporation, the County's financial advisor at (206) 628-2882 on, or prior to, September 25, 1998 to be apprised of sale details.

Expected Delivery Date

Delivery is expected to be on or about October 15, 1998

Interest Rates and Bidding Information

No Bonds subject to Optional Redemption may have a coupon and reoffering yield which would result in a dollar price exceeding one hundred two and three-tenths percent (102.3%) when such Bonds are priced to the first Optional Redemption date.

* Preliminary, subject to change

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**NOTICE: KING COUNTY, WASHINGTON ANNOUNCES A CHANGE IN THE
SALE DATE FOR ITS \$345,285,000* LIMITED TAX GENERAL OBLIGATION
REFUNDING BONDS (PAYABLE FROM SEWER REVENUES) 1998 SERIES B**

King County, Washington announces that the sale date and time for its \$345,285,000* Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues) 1998 Series B has been changed to Monday, September 28, 1998 at 9:00 a.m. Pacific Daylight Time.

* Preliminary, subject to change

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**AMENDMENT OF THE NOTICE OF SALE FOR THE \$261,900,000 LIMITED TAX
GENERAL OBLIGATION REFUNDING BONDS (PAYABLE FROM SEWER
REVENUES) 1998 SERIES B**

King County, Washington amends the Notice of Sale for its \$261,900,000 Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenues) 1998 Series B as follows.

Mandatory Redemption

The individual maturity amounts may be serial bonds or mandatory amortization amounts for term bonds. As part of their bid, or within 30 minutes of the verbal award to the successful bidder, bidders shall specify the term bond maturities and mandatory amortization amounts.

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Upcoming Calendar Preview Results



Goldman, Sachs & Co.'s Bid

**King County
 \$261,900,000 Limited tax general obligation refunding
 bonds, Series 1998B (Payable from sewer revenues)**

For the aggregate principal amount of \$261,900,000.00, we will pay you \$260,346,095.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity	Par Amount	Coupon	Force Interest
01/01/2000	795M	4.7500	
01/01/2001	825M	4.7500	
01/01/2002	860M	4.7500	
01/01/2003	890M	4.7500	
01/01/2004	920M	4.7500	
01/01/2005	3,205M	4.7500	
01/01/2006	3,305M	4.7500	
01/01/2007	3,420M	4.7500	
01/01/2008	3,535M	4.7500	
01/01/2009	3,675M	4.7500	
01/01/2010	3,805M	4.7500	
01/01/2011	3,950M	4.7500	
01/01/2012	4,100M	4.7500	
01/01/2013	4,265M	4.7500	
01/01/2014	4,430M	4.7500	
01/01/2015	4,615M	4.7500	
01/01/2016	4,810M	4.7500	
01/01/2017	8,110M	4.7500	
01/01/2018	8,480M	4.7500	
01/01/2019			
01/01/2020	18,110M	4.7500	
01/01/2021			
01/01/2022			
01/01/2023			
01/01/2024	41,415M	5.0000	
01/01/2025			
01/01/2026			
01/01/2027			
01/01/2028			
01/01/2029			
01/01/2030	77,690M	5.0000	
01/01/2031			
01/01/2032			
01/01/2033			
01/01/2034	56,690M	5.2500	

Total Interest Cost: \$322,672,247.29
Discount: \$1,553,904.20
Net Interest Cost: \$324,226,151.49
TIC: 5.048236%

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Time Last Bid Received On: 09/28/1998 11:53AM

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Goldman, Sachs & Co., New York, NY
Contact: Mary Carrington
Title: VP
Telephone: 212-902-6582
Fax: 212-902-3065

Thomson Municipal Market Monitor
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Customer Support 1-201-434-8080, 7:00 a.m. to 6:00 p.m. EST.
Please send comments to webmaster@tm3.com.

Mon Sep 28 1998 12:02:12

EXHIBIT C

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BOND PRICING

KING COUNTY
LTGO Refunding Bonds, 1998B

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials:						
	1/01/2000	725,000.00	4.750%	3.550%	101.405	10,186.25
	1/01/2001	755,000.00	4.750%	3.650%	102.311	17,448.05
	1/01/2002	795,000.00	4.750%	3.750%	102.993	23,794.35
	1/01/2003	830,000.00	4.750%	3.800%	103.659	30,369.70
	1/01/2004	870,000.00	4.750%	3.850%	104.207	36,600.90
	1/01/2005	3,155,000.00	4.750%	3.950%	104.362	137,621.10
	1/01/2006	3,275,000.00	4.750%	4.000%	104.652	152,353.00
	1/01/2007	3,410,000.00	4.750%	4.100%	104.487	153,006.70
	1/01/2008	3,540,000.00	4.750%	4.200%	104.159	147,228.60
	1/01/2009	3,700,000.00	4.750%	4.300%	103.681	136,197.00
	1/01/2010	3,845,000.00	4.750%	4.400%	103.065	117,849.25
	1/01/2011	4,000,000.00	4.750%	4.500%	102.175 C	87,000.00
	1/01/2012	4,160,000.00	4.750%	4.600%	101.295 C	53,872.00
	1/01/2013	4,330,000.00	4.750%	4.700%	100.425 C	18,402.50
	1/01/2014	4,505,000.00	4.750%	4.780%	99.671	(14,821.45)
	1/01/2015	4,685,000.00	4.750%	4.830%	99.100	(42,165.00)
	1/01/2016	4,875,000.00	4.750%	4.880%	98.490	(73,612.50)
	1/01/2017	8,165,000.00	4.750%	4.900%	98.199	(147,051.65)
	1/01/2018	8,525,000.00	4.750%	4.920%	97.895	(179,451.25)
		<u>68,145,000.00</u>				<u>664,827.55</u>
2020 Term:						
	1/01/2019	8,890,000.00	4.750%	4.950%	97.384	(232,562.40)
	1/01/2020	9,260,000.00	4.750%	4.950%	97.384	(242,241.60)
		<u>18,150,000.00</u>				<u>(474,804.00)</u>
2024 Term:						
	1/01/2021	9,665,000.00	5.000%	5.020%	99.708	(28,221.80)
	1/01/2022	10,100,000.00	5.000%	5.020%	99.708	(29,492.00)
	1/01/2023	10,565,000.00	5.000%	5.020%	99.708	(30,849.80)
	1/01/2024	11,035,000.00	5.000%	5.020%	99.708	(32,222.20)
		<u>41,365,000.00</u>				<u>(120,785.80)</u>
2030 Term:						
	1/01/2025	11,535,000.00	5.000%	5.080%	98.746	(144,648.90)
	1/01/2026	12,055,000.00	5.000%	5.080%	98.746	(151,169.70)
	1/01/2027	12,595,000.00	5.000%	5.080%	98.746	(157,941.30)
	1/01/2028	13,160,000.00	5.000%	5.080%	98.746	(165,026.40)
	1/01/2029	13,755,000.00	5.000%	5.080%	98.746	(172,487.70)
	1/01/2030	14,370,000.00	5.000%	5.080%	98.746	(180,199.80)
		<u>77,470,000.00</u>				<u>(971,473.80)</u>
2034 Term:						
	1/01/2031	15,010,000.00	5.250%	5.000%	102.117 C	317,761.70
	1/01/2032	15,730,000.00	5.250%	5.000%	102.117 C	333,004.10
	1/01/2033	16,465,000.00	5.250%	5.000%	102.117 C	348,564.05
	1/01/2034	9,290,000.00	5.250%	5.000%	102.117 C	196,669.30
		<u>56,495,000.00</u>				<u>1,195,999.15</u>
		261,625,000.00				293,763.10