



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 1, 2002

Motion 11546

Proposed No. 2002-0369.2

Sponsors Phillips

1 A MOTION of the county accepting bids for the purchase
2 of the county's Limited Tax General Obligation Bonds
3 (Various Purpose), 2002, in the aggregate principal amount
4 of \$38,340,000; fixing the interest rates and other terms of
5 such Bonds, all in accordance with Ordinance 14462 of the
6 County.

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BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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WHEREAS, the county council by Ordinance 14462 passed September 9, 2002

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(the "Bond Ordinance"), authorized the issuance and sale of limited tax general

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obligation bonds of the county in an outstanding aggregate principal amount of not to

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exceed \$42,500,000, and

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WHEREAS, the Bond Ordinance provided that such bonds be sold in one or more

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series at public sale as determined by the Finance Manager, and

16 WHEREAS, the Finance Manager has determined that a series of such bonds to
17 be designated as the county's Limited Tax General Obligation Bonds (Various Purpose),
18 2002 (the "Bonds") be sold as provided herein, and

19 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement
20 dated September 20, 2002 has been prepared for the public sale of the Bonds, the official
21 Notice of such sale (the "Notice") has been duly published, and bids have been received
22 in accordance with the Notice, and

23 WHEREAS, the attached bid of ABN AMRO Financial Services, Inc. ("ABN
24 AMRO") to purchase the Bonds is the best bid received for such Bonds, and it is in the
25 best interest of the county that such Bonds be sold to ABN AMRO on the terms set forth
26 in the Notice, the attached bid, the Bond Ordinance and this motion;

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

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

30 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of
31 Bonds. The issuance of the Bonds, designated as the county's Limited Tax General
32 Obligation Bonds (Various Purpose), 2002, in the aggregate principal amount of
33 \$38,340,000 and the terms and conditions thereof set forth in the Notice, attached hereto
34 as Exhibit A, are hereby ratified and confirmed. The Bonds shall mature on December 1
35 in each of the years, in the amounts and shall bear interest at the rates set forth on
36 Exhibit B, and shall conform in all other respects to the terms and conditions specified in
37 the Notice and Bond Ordinance. The bid to purchase the Bonds, as set forth in ABN

38 AMRO's bid attached hereto as Exhibit C, as adjusted on a proportionate basis to reflect
39 the changed principal amount of the Bonds, as provided in the Notice, is hereby accepted.

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

41 C. Undertaking to Provide Ongoing Disclosure.

42 1. Contract/Undertaking. This section C constitutes the county's
43 written undertaking for the benefit of the owners and beneficial owners of the Bonds as
44 required by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange
45 Commission (the "commission").

46 2. Financial Statements/Operating Data. The county agrees to
47 provide or cause to be provided to each nationally recognized municipal securities
48 information repository ("NRMSIR") and to the state information depository (the "SID"),
49 if any, in each case as designated by the commission in accordance with the rule, the
50 following annual financial information and operating data for the prior fiscal year
51 (commencing in 2003 for the fiscal year ended December 31, 2002):

52 (a) annual financial statements prepared in accordance with the
53 Budget Accounting and Reporting System ("BARS") prescribed by the Washington State
54 Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type
55 included in the official statement for the Bonds under the heading "Appendix B: Audited
56 2001 Financial Statements," which statements will not be audited, except that if and
57 when audited financial statements are otherwise prepared and available to the county they
58 will be provided;

59 (b) a summary of the assessed value of taxable property in the
60 county;

- 61 (c) a summary of budgeted General Fund revenues and
62 appropriations;
- 63 (d) a summary of *ad valorem* property tax levy rates per
64 \$1,000 of assessed value and delinquency rates;
- 65 (e) a summary of outstanding tax-supported indebtedness of
66 the county.
- 67 (f) a schedule of the aggregate annual debt service on
68 tax-supported indebtedness of the county; and
- 69 (g) a summary of local option vehicle license fee collections.

70 Items (b) through (g) shall be required only to the extent that such information is
71 not included in the annual financial statement.

72 Such annual information and operating data described above shall be provided on
73 or before seven months after the end of the county's fiscal year. The county's fiscal year
74 currently ends on December 31. The county may adjust such fiscal year by providing
75 written notice of the change of fiscal year to each then existing NRMSIR, and the SID, if
76 any. In lieu of providing such annual financial information and operating data, the
77 county may cross-reference to other documents provided to the NRMSIR, the SID or to
78 the commission, and, if such document is a final official statement within the meaning of
79 the rule, such document will be available from the Municipal Securities Rulemaking
80 Board (the "MSRB").

81 If not provided as part of the annual financial information discussed above, the
82 county shall provide the county's audited annual financial statement prepared in

83 accordance with BARS when and if available to each then existing NRMSIR and the
84 SID, if any.

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

- 89 (a) principal and interest payment delinquencies;
- 90 (b) non-payment related defaults;
- 91 (c) unscheduled draws on debt service reserves reflecting
92 financial difficulties;
- 93 (d) unscheduled draws on credit enhancements reflecting
94 financial difficulties;
- 95 (e) substitution of credit or liquidity providers, or their failure
96 to perform;
- 97 (f) adverse tax opinions or events affecting the tax-exempt
98 status of the Bonds;
- 99 (g) modifications to rights of Bond owners;
- 100 (h) optional, contingent or unscheduled calls of any Bonds
101 other than scheduled sinking fund redemptions for which notice is given pursuant to
102 Exchange Act Release 34-23856;
- 103 (i) defeasances;
- 104 (j) release, substitution or sale of property securing repayment
105 of the Bonds; and

106 (k) rating changes.

107 Solely for purposes of disclosure, and not intending to modify this undertaking,
108 the county advises with reference to items (c) and (j) above that no debt service reserves
109 secure payment of the Bonds and no property secures repayment of the Bonds.

110 4. Notification Upon Failure to Provide Financial Data. The county
111 agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the
112 MSRB and to the SID, if any, notice of its failure to provide the annual financial
113 information described in subsection 2 above on or prior to the date set forth in subsection
114 2 above.

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

123 Notwithstanding any other provision of this motion, the county may amend this
124 section C, and any provision of this section C may be waived, with an approving opinion
125 of nationally recognized bond counsel and in accordance with the rule.

126 In the event of any amendment or waiver of a provision of this section C, the
127 county shall describe such amendment in the next annual report, and shall include, as
128 applicable, a narrative explanation of the reason for the amendment or waiver and its

129 impact on the type (or in the case of a change of accounting principles, on the
130 presentation) of financial information or operating data being presented by the county. In
131 addition, if the amendment relates to the accounting principles to be followed in
132 preparing financial statements, (i) notice of such change shall be given in the same
133 manner as for a material event under subsection 3, and (ii) the annual report for the year
134 in which the change is made should present a comparison (in narrative form and also, if
135 feasible, in quantitative form) between the financial statements as prepared on the basis
136 of the new accounting principles and those prepared on the basis of the former accounting
137 principles.

138 6. Bond Owner’s Remedies Under This Section. The right of any
139 Bond owner or beneficial owner of Bonds to enforce the provisions of this section shall
140 be limited to a right to obtain specific enforcement of the county’s obligations hereunder,
141 and any failure by the county to comply with the provisions of this undertaking shall not
142 be an event of default with respect to the Bonds. For purposes of this section, “beneficial
143 owner” means any person who has the power, directly or indirectly, to vote or consent
144 with respect to, or to dispose of ownership of, any Bonds, including persons holding
145 Bonds through nominees or depositories.

146 D. Further Authority. The county officials, their agents, and representatives
147 are hereby authorized and directed to do everything necessary for the prompt issuance
148 and delivery of the Bonds and for the proper use and application of the proceeds of such
149 sale.

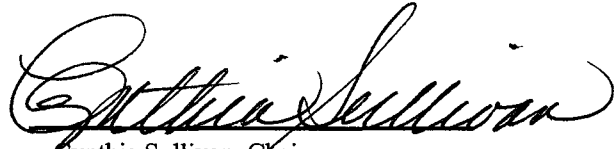
150 E. Severability. The covenants contained in this motion shall constitute a
151 contract between the county and the owners of each and every Bond. If any one or more

152 of the covenants or agreements provided in this motion to be performed on the part of the
153 county shall be declared by any court of competent jurisdiction to be contrary to law, then
154 such covenant or covenants, agreement or agreements, shall be null and void and shall be
155 deemed separable from the remaining covenants and agreements of this motion and shall
156 in no way affect the validity of the other provisions of this motion or of the Bonds.
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Motion 11546 was introduced on 8/19/2002 and passed by the Metropolitan King County Council on 9/30/2002, by the following vote:


Yes: 10 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Mr. Phillips, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett, Ms. Hague and Mr. Irons
No: 0
Excused: 3 - Ms. Lambert, Mr. Pelz and Ms. Patterson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Notice of Sale, B. Resized Principal Amounts, C. Winning Bid ABN AMRO Financial Services

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2002

SALE DATE: SEPTEMBER 30, 2002
SALE TIME: 9:00 A.M. PACIFIC TIME

New Issue
Book-Entry Only

Moody's Rating: ____
Standard & Poor's Rating: ____
(See "Other Bond Information—Ratings.")

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income subject to federal income taxation pursuant to the Internal Revenue Code of 1986, as amended, subject to certain conditions and assumptions described under "Legal and Tax Information—Tax Exemption for the Bonds." The Bonds are not private activity bonds. Interest on the Bonds is included in the computation of certain federal taxes on corporations.

\$40,405,000*

**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS
(VARIOUS PURPOSE), 2002**

DATED: October 1, 2002

DUE: December 1, as shown on inside cover

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, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be issued initially in book-entry form only in the value of \$5,000 or any integral multiple thereof within a single maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2003, to maturity or earlier redemption of the Bonds. The principal of and interest on the Bonds are payable by the fiscal agency of the State of Washington, currently The Bank of New York in New York, New York (the "Bond Registrar"). For so long as the Bonds remain in a "book-entry only" transfer system, the Bond Registrar will make such payments only 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 as described herein under Appendix D—Book-Entry System.

The Bonds are subject to redemption at the option of the County. The Bonds may be subject to mandatory redemption if the successful bidder specifies Term Bonds.

The Bonds are being issued to finance or reimburse the County for roads capital improvement projects and to pay the costs of issuance of the Bonds.

The Bonds are general obligations of King County, Washington. The County irrevocably covenants, for as long as the Bonds are outstanding and unpaid, to include in its budget and impose local option vehicle license fees annually in the maximum amount authorized by RCW 82.80.020. The County further irrevocably covenants, for as long as the Bonds are outstanding and unpaid, to include in its budget and levy an *ad valorem* tax annually within the constitutional and statutory tax limitations provided by law without a vote of the people upon all property within the County subject to taxation in an amount that will be sufficient, together with all local option vehicle license fee revenues and other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as they become due. The full faith, credit and resources of the County are pledged irrevocably for the annual imposition and collection of such local option vehicle license fees, the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

The Bonds are offered when, as and if issued, subject to approval of legality by Gottlieb, Fisher & Andrews, PLLC, Seattle, Washington, Bond Counsel, and certain other conditions. A form of Bond Counsel's opinion is attached hereto as Appendix A. It is anticipated that the Bonds will be ready for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about October 15, 2002.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

* Preliminary, subject to change.

MATURITY SCHEDULE

\$40,405,000*

KING COUNTY, WASHINGTON

**LIMITED TAX GENERAL OBLIGATION BONDS
(VARIOUS PURPOSE), 2002**

Due December 1	Amounts*	Interest Rates	Yields	Cusip Numbers
2003	\$ 2,180,000	%	%	
2004	2,450,000			
2005	2,500,000			
2006	2,555,000			
2007	2,620,000			
2008	2,695,000			
2009	2,785,000			
2010	2,880,000			
2011	2,985,000			
2012	3,095,000			
2013	3,215,000			
2014	3,340,000			
2015	3,480,000			
2016	3,625,000			

(Plus accrued interest from the dated date.)

This Official Statement is provided by the County, and not by the purchasers of the Bonds. No dealer, broker, sales representative, or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and from other sources which are believed to be reliable. The County makes no representation regarding the accuracy or completeness of the information provided in Appendix C—Book Entry System, which has been furnished by DTC. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement, nor any sale of the Bonds, shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

In the preparation of the projections in this Official Statement, the County has made certain assumptions with respect to conditions that may occur in the future. While the County believes these assumptions are reasonable for the purpose of the projections, they depend upon future events, and actual conditions may differ from those assumed. The County does not represent or guarantee that actual results will replicate the estimates in the various tables set forth in this Official Statement. Potential purchasers of the Bonds should not rely on the projections in this Official Statement as statements of fact. Such projections are subject to change, and will change, from time to time. The County has not committed itself to provide investors with updated forecasts or projections.

The County expects to take action, pursuant to the Bond Ordinance, to deem "final" this Preliminary Official Statement as of its date, except for the omission of information dependent on the pricing of the Bonds, for the purpose of compliance with SEC Rule 15c2-12.

* Preliminary, subject to change.

OFFICIAL NOTICE OF BOND SALE

\$40,405,000*

**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS
(VARIOUS PURPOSE), 2002**

Sealed and electronic (as explained below) bids for the above-referenced bonds (the "Bonds") of King County, Washington (the "County"), will be received, in the case of sealed bids, in the King County Administration Building, Room 610, 500 4th Avenue, Seattle, Washington, and, in the case of electronic bids, via *PARITY*, in the manner described below, until

9:00 A.M., PACIFIC TIME, ON SEPTEMBER 30, 2002,

or at such later date or time as may be established by the King County Manager of Finance and Business Operations (the "Finance Manager") 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:

- (i) in a sealed envelope to the Finance Manager as described above; or
- (ii) electronically via *PARITY* in accordance with its Rules of Participation and this Official Notice of Sale, but no bid will be received after the time for receiving bids specified above. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile transmission to the Finance Manager at (206) 296-7345. For further information about *PARITY*, potential bidders may contact the County's financial advisor, Seattle-Northwest Securities, at (206) 628-2882 or *PARITY* at (212) 806-8304.

In the event a bidder submits an electronic bid for the Bonds, such bidder hereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of Bond Sale, including any amendments issued by public wire, shall control.
- (ii) Electronic bids may only be submitted via *PARITY*. The bidder is solely responsible for making necessary arrangements to access *PARITY* for purposes of submitting a bid timely and in compliance with the requirements of this Official Notice of Bond Sale.
- (iii) The County shall have no duty or obligation to provide or assure access to *PARITY*, and shall not be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of *PARITY*.
- (iv) The County is using *PARITY* as a communication mechanism, and not as an agent of the County.
- (v) The County may regard the electronic transmission of a bid through *PARITY* (including information regarding the purchase price for the Bonds and the interest rates for the Bonds) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory.

* Preliminary, subject to change.

- (vi) Upon acceptance of a bid by the County, this Official Notice of Bond Sale, the Official Bid Form and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

If all bids for the Bonds are rejected, the Finance Manager may fix a new date and time for the receipt of bids for the 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.

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated September 20, 2002, and further information regarding the details of the Bonds may be obtained upon request to the King County Manager of Finance and Business Operations Division, 6th Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

Description of the Bonds

The Bonds will be dated October 1, 2002. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2003, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on or after December 1, 2013, in whole or in part at any time on or after December 1 2012, at the price of par plus accrued interest, if any, to the date of redemption. The Bonds may be subject to mandatory redemption if the successful bidder designates certain maturities as term bonds.

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 within a single maturity. 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 agency for the State of Washington, currently The Bank of New York in New York, New York (the "Bond Registrar"), 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 December 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.

<u>Serial Maturity or Amortization Installment</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts</u>
2003	\$ 2,180,000	2010	\$ 2,880,000
2004	2,450,000	2011	2,985,000
2005	2,500,000	2012	3,095,000
2006	2,555,000	2013	3,215,000
2007	2,620,000	2014	3,340,000
2008	2,695,000	2015	3,480,000
2009	2,785,000	2016	3,625,000

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

Security

The Bonds are general obligations of King County, Washington. The County irrevocably covenants, for as long as the Bonds are outstanding and unpaid, to include in its budget and impose local option vehicle license fees annually in the maximum amount authorized by RCW 82.80.020. The County further irrevocably covenants, for as long as the Bonds are outstanding and unpaid, to include in its budget and levy an *ad valorem* tax annually within the constitutional and statutory tax limitations provided by law without a vote of the people upon all property within the County subject to taxation in an amount that will be sufficient, together with all local option vehicle license fee revenues and other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as they become due. The full faith, credit and resources of the County are pledged irrevocably for the annual imposition and collection of such local option vehicle license fees, the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

The County always has met principal and interest payments on outstanding bonds and notes when due.

Bidding Information

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rates that the Bonds will bear. The interest rates bid shall be in a multiple of 1/8 or 1/20 of one percent and each maturity of the Bonds shall bear no more than one rate of interest. Bids shall be without condition and shall be submitted only on the Official Bid Form that is contained in the Preliminary Official Statement, or on photocopies of such form, or electronically via **PARITY**.

No bid will be considered for the Bonds for less than an amount equal to 100 percent of par plus accrued interest or for more than 105 percent of par plus accrued interest, or for less than the entire offering of the Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Bonds.

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

Adjustment of Amount of Bonds and Bid Price

The County has reserved the right to increase or decrease the principal amount of the Bonds by an amount not to exceed seven percent (7%) following the opening of the bids. The County also reserves the right to increase or decrease the principal amount of any maturity by ten percent (10%) of the principal amount of that maturity. The price bid by the successful bidder will be adjusted by the state on a proportionate basis to reflect an increase or decrease in the principal amounts and maturity schedule within 24 hours of the bid opening. The state will not be responsible in the event and to the extent that any adjustment affects the net compensation to be realized by the successful bidder.

Good Faith Deposit

All bids shall be accompanied by a good faith deposit in the amount of \$425,000. 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 Manager of Finance and Business Operations Division 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 either of the County's Financial Advisors 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 2:00 p.m., Pacific 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 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 to complete the purchase of the 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.

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.

Award

The Bonds will be sold to the bidder making a bid that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid. For the purpose of comparing bids only, the interest rate 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 payment from the payment date to the date of the Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Bonds.

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.

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 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:

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the prices at which a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) stating the prices at which any portion of the Bonds that remains unsold at the date of closing would have been sold on the date the Bonds were awarded, and
- (v) stating the offering price of each portion of the Bonds sold to institutional or other investors at discount.

Delivery

The County will deliver the Bonds (consisting of a single word-processed certificate for each maturity) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, 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 October 15, 2002.

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 this 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 Gottlieb, Fisher & Andrews, PLLC, 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 this Preliminary 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.

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. The County will be responsible for obtaining the CUSIP numbers and 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.

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 this Preliminary Official Statement and will also be set forth in the final Official Statement.

Official Statement

This 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 250 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 purchaser, 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 20th day of September, 2002.

Clerk of the Metropolitan King County Council

OFFICIAL BID FORM
\$40,405,000*
KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS
(VARIOUS PURPOSE), 2002

Manager of Finance and Business Operations Division
King County
Seattle, Washington

Dear Sir:

For the above-referenced bonds (the "Bonds"), 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 December 1 in the years and amounts set forth in this Official Bid Form as indicated below:

<u>Years</u>	<u>Amounts</u>	<u>Rates</u>	<u>Years</u>	<u>Amounts</u>	<u>Rates</u>
2003	\$ 2,180,000	_____	2010	\$ 2,880,000	_____
2004	2,450,000	_____	2011	2,985,000	_____
2005	2,500,000	_____	2012	3,095,000	_____
2006	2,555,000	_____	2013	3,215,000	_____
2007	2,620,000	_____	2014	3,340,000	_____
2008	2,695,000	_____	2015	3,480,000	_____
2009	2,785,000	_____	2016	3,625,000	_____

we offer to pay the sum of \$ _____
(must be no less than \$40,405,000 and no more than \$42,425,250)

together with accrued interest, if any, to the date of delivery.

In accordance with the terms of the Official Notice of Bond Sale, a good faith deposit in the amount of \$425,000 has been provided in the form of either a certified or bank cashier's check or a financial surety bond, each payable to the order of King County. The good faith deposit is to be applied in accordance with the terms of the Official Notice of Bond Sale if the Bonds are awarded to us. If the Bonds are not awarded to us and a check has been submitted, such check is to be returned to us. If the Bonds are not awarded to us and we provided the good faith deposit in the form of a surety bond, neither we nor the County have any further obligations with respect to the surety bond.

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

* Preliminary, subject to change.

