



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 22, 2002

Motion 11602

Proposed No. 2002-0451.2

Sponsors Phillips

1 A MOTION accepting a bond purchase agreement for the
2 purchase of the county's Limited Tax General Obligation
3 (Public Transportation Sales Tax) Refunding Bonds, 2002,
4 in the aggregate principal amount of \$64,285,000, and
5 establishing certain terms of such bonds and a plan of
6 refunding, all in accordance with Ordinance 14490.

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9 WHEREAS, the county council by Ordinance 14490 passed September 30, 2002
10 (the "Bond Ordinance"), authorized the issuance and sale of limited tax general
11 obligation (public transportation sales tax) refunding bonds (the "Bonds") of the county
12 in the aggregate principal amount of not to exceed \$70,000,000 for the purpose of
13 refunding certain outstanding Limited Sales Tax General Obligation Bonds, Series 1993
14 (Refunding) of the county; and

15 WHEREAS, the Bond Ordinance provided that the Bonds be sold as determined
16 by the county's manager of finance and business operations (the "Finance Manager") in
17 consultation with the county's financial advisors; and

18 WHEREAS, the Finance Manager has determined that the Bonds be sold as
19 provided herein; and

20 WHEREAS, pursuant to the Bond Ordinance, the Finance Manager has
21 negotiated the sale of the Bonds to UBS PaineWebber Inc. and Siebert Brandford Shank
22 & Co., LLC (the "Underwriters"), and a preliminary official statement dated October 14,
23 2002, has been prepared for the sale of the Bonds; and

24 WHEREAS it is in the best interest of the county that the Bonds be sold to the
25 Underwriters on the terms set forth in the attached bond purchase agreement, the Bond
26 Ordinance and this motion;

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

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

30 B. Approval of Bond Purchase Agreement and Authorization of Bonds. The
31 issuance of the Bonds, designated as the county's Limited Tax General Obligation
32 (Public Transportation Sales Tax) Refunding Bonds, 2002, in the aggregate principal
33 amount of \$64,285,000 and the terms and conditions thereof as set forth in the Bond
34 Purchase Agreement attached hereto as Exhibit A (the "Purchase Agreement") are hereby
35 ratified and confirmed, and the Purchase Agreement is hereby approved. The Bonds
36 shall bear interest at the rates set forth in the Purchase Agreement and shall conform in all
37 other respects to the terms and conditions specified in the Purchase Agreement and the
38 Bond Ordinance.

39 The Bonds shall be subject to optional redemption as set forth in the Purchase
40 Agreement.

41 C. Refunding of Refunded Bonds.

42 1. Plan of Refunding. The proper county officials are authorized to
43 carry out the Refunding Plan in accordance with Section 15 of the Bond Ordinance. The
44 Finance Manager is authorized to transfer money in the Receiving Fund allocable to the
45 January 1, 2003, debt service payment on the Refunded Bonds (or such lesser amount as
46 the Finance Manager shall determine) to the Escrow Agent to carry out the Refunding
47 Plan.

48 2. Escrow Agent. The selection of U.S. Bank, N.A., of Seattle,
49 Washington, as Escrow Agent is hereby ratified and confirmed.

50 3. Findings of Savings and Defeasance. The council finds and
51 determines that a substantial savings will be effected by the difference between the
52 principal and interest cost over the life of the Bonds and the principal and interest cost
53 over the life of the Refunded Bonds but for such refunding, and that the Acquired
54 Obligations to be deposited with the Escrow Agent and the income therefrom, together
55 with any necessary beginning cash balance, are sufficient to defease and redeem the
56 above-referenced Refunded Bonds and will discharge and satisfy the obligations of the
57 county with respect to such Refunded Bonds under the Refunded Bond Resolutions and
58 the pledges of the county therein. Immediately upon the delivery of such Acquired
59 Obligations to the Escrow Agent and the deposit of any necessary beginning cash
60 balance, the Refunded Bonds shall be deemed not to be outstanding under the Refunded
61 Bond Resolutions and shall cease to be entitled to any lien, benefit or security thereunder
62 except the right to receive payment from the Acquired Obligations and beginning cash
63 balance so set aside and pledged.

64 D. Undertaking to Provide Ongoing Disclosure.

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

68 2. Financial Statements/Operating Data. The county agrees to
69 provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as
70 designated by the Commission in accordance with the Rule, the following annual
71 financial information and operating data for the prior fiscal year (commencing in 2003
72 for the fiscal year ended December 31, 2002):

73 (a) Annual financial statements prepared in accordance with
74 the Budget Accounting and Reporting System ("BARS") prescribed by the
75 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute)
76 and generally of the type included in the official statement for the Bonds under
77 the heading "Appendix B: Audited 2001 Financial Statements";

78 (b) A summary of budgeted general fund revenues and
79 appropriations;

80 (c) A summary of the assessed valuation of taxable property in
81 the county;

82 (d) A summary of the *ad valorem* property tax levy and
83 delinquency rate;

84 (e) A schedule of the aggregate annual debt service on tax-
85 supported indebtedness of the county;

86 (f) A summary of outstanding tax-supported indebtedness of
87 the county; and

88 (g) Public Transportation Sales Taxes collected by the county
89 pursuant to RCW 82.14.045.

90 Items (b) through (g) shall be required only to the extent that such information is
91 not included in the annual financial statements.

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

100 If not provided as part of the annual financial information discussed above, the
101 county shall provide the county's audited annual financial statement prepared in
102 accordance with BARS when and if available to each then existing NRMSIR and the
103 SID, if any.

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

108 (a) Principal and interest payment delinquencies;

- 109 (b) Non-payment related defaults;
- 110 (c) Unscheduled draws on debt service reserves reflecting
- 111 financial difficulties;
- 112 (d) Unscheduled draws on credit enhancements reflecting
- 113 financial difficulties;
- 114 (e) Substitution of credit or liquidity providers, or their failure
- 115 to perform;
- 116 (f) Adverse tax opinions or events affecting the tax-exempt
- 117 status of the Bonds;
- 118 (g) Modifications to rights of Bond holders;
- 119 (h) Optional, contingent or unscheduled calls of any Bonds
- 120 other than scheduled sinking fund redemptions for which
- 121 notice is given pursuant to Exchange Act Release
- 122 34-23856;
- 123 (i) Defeasances;
- 124 (j) Release, substitution or sale of property securing repayment
- 125 of the Bonds; and
- 126 (k) Rating changes.

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

130 4. Notification Upon Failure to Provide Financial Data. The county
131 agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the

132 MSRB and to the SID, if any, notice of its failure to provide the annual financial
133 information described in subsection 2 above on or prior to the date set forth in
134 subsection 2 above.

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

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

146 In the event of any amendment or waiver of a provision of this Section D, the
147 county shall describe such amendment in the next annual report, and shall include, as
148 applicable, a narrative explanation of the reason for the amendment or waiver and its
149 impact on the type (or in the case of a change of accounting principles, on the
150 presentation) of financial information or operating data being presented by the county. In
151 addition, if the amendment relates to the accounting principles to be followed in
152 preparing financial statements, (i) notice of such change shall be given in the same
153 manner as for a material event under subsection 3, and (ii) the annual report for the year
154 in which the change is made should present a comparison (in narrative form and also, if

155 feasible, in quantitative form) between the financial statements as prepared on the basis
156 of the new accounting principles and those prepared on the basis of the former accounting
157 principles.

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

166 E. Bond Insurance. The county council finds that it is in the county's best
167 interest to purchase, and that a savings will result from purchasing, municipal bond
168 insurance for the Bonds. The county shall purchase from Financial Security Assurance Inc.
169 a municipal bond insurance policy insuring the prompt payment of the principal of and
170 interest on the Bonds and agrees to the conditions for obtaining that policy, including the
171 payment of the premium therefor.

172 F. Further Authority. The county officials, their agents, and representatives
173 are hereby authorized and directed to do everything necessary for the prompt issuance
174 and delivery of the Bonds and for the proper use and application of the proceeds of such
175 sale.

176 G. Severability. The covenants contained in this motion shall constitute a
177 contract between the county and the owners of each and every Bond. If any provision in

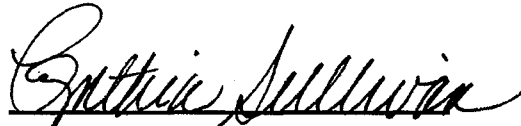
Motion 11602

178 this motion to be performed on the part of the County shall be declared by any court of
179 competent jurisdiction to be contrary to law, then such provision shall be null and void
180 and shall be deemed separable from the remaining provisions of this motion and shall in
181 no way affect the validity of the other provisions of this motion or of the Bonds.
182

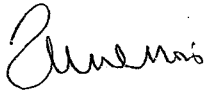
Motion 11602 was introduced on 9/16/2002 and passed by the Metropolitan King County Council on 10/21/2002, by the following vote:

Yes: 13 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr. Irons and Ms. Patterson
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Purchase Agreement

EXHIBIT A**\$64,285,000****KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION
(PUBLIC TRANSPORTATION SALES TAX) REFUNDING BONDS, 2002****BOND PURCHASE AGREEMENT**

October 21, 2002

King County, Washington

Ladies and Gentlemen:

UBS PaineWebber Inc., and Siebert Brandford Shank & Co., LLC (the "Underwriters"), offer to enter into this bond purchase agreement (together with the Exhibits, the "Agreement") with King County, Washington (the "County"), regarding the County's \$64,285,000 aggregate principal amount of Limited Tax General Obligation (Public Transportation Sales Tax) Refunding Bonds, 2002 (the "Bonds"), which upon acceptance of this offer by the County will be binding upon the County and the Underwriters. This offer is made subject to receipt by the Underwriters of the documents described herein and to the County's acceptance by executing this Agreement and delivering it to the Underwriters at or prior to 11:00 p.m. Pacific Time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriters upon notice delivered to the County at any time prior to acceptance hereof by the County. Upon acceptance of this offer in accordance with the terms hereof, this Agreement will constitute a binding contract between the County and the Underwriters.

Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings given them in the Bond Ordinance (as defined in Section 3 of this Agreement).

The County and the Underwriters hereby agree as follows:

1. **PURCHASE AND SALE**

On the terms and conditions and on the basis of the representations, warranties and covenants herein set forth, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to execute, sell and deliver to the Underwriters, all (but not less than all) of the Bonds.

The Bonds will be dated the date of their initial delivery to the Underwriters, and are anticipated to be delivered to the Underwriters on November 5, 2002. The Bonds shall be fully registered as to both principal and interest, shall bear interest at the rates per annum calculated in such manner, payable as to principal and interest, and shall have such terms relating to redemption and other such provisions and terms as set forth in the official statement dated

October 21, 2002 (the "Official Statement"), in the Bond Ordinance, and attached hereto as Exhibit A.

The purchase price for the Bonds shall be \$68,375,836.63 (representing the par amount of the Bonds plus original issue premium of \$4,354,984.30, less original issue discount of \$912.00, and less an underwriting discount of \$263,235.67) (the "Purchase Price").

2. CLOSING

Subject to the terms and conditions hereof, the delivery of the Bonds and payment of the Purchase Price (the "Closing") shall take place at the King County Office of Finance at 9:00 a.m., Pacific Time, on November 5, 2002, or at such other time or place, or on such other day, as the Underwriters and the County shall agree. At the Closing:

(a) the County shall deliver to the Underwriters (i) the Bonds as provided in clause (c) of this section and (ii) the other instruments and documents required to be delivered to the Underwriters at the Closing pursuant to section 5(0) hereof;

(b) the Purchase Price shall be paid to the County in federal funds (by wire transfer or by any combination of one or more wires as may be agreeable to the County and the Underwriters); and

(c) the Bonds initially shall be held in fully registered form by The Depository Trust Company ("DTC") acting as depository pursuant to the terms and conditions set forth in the County's Blanket Issuer Letter of Representations with DTC. The Bonds shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds shall be delivered to DTC, at least one full business day before the Closing for purposes of inspection, unless an alternate arrangement (e.g., FAST closing) is made between the parties. The Bonds delivered hereunder shall bear proper CUSIP numbers to be obtained by the Underwriters (provided, however, that neither the printing of an incorrect CUSIP number on any 2002 Bond nor the failure to print the CUSIP number thereon shall constitute cause for the Underwriters to refuse delivery of any 2002 Bond).

3. DELIVERIES TO BE MADE UPON ACCEPTANCE; DELIVERY OF OFFICIAL STATEMENT

At or prior to the time of the execution of this Agreement, the County shall deliver to the Underwriters (a) a copy of Ordinance 14490 passed on September 30, 2002, authorizing issuance of the Bonds and a motion of the King County Council approving the sale of the Bonds (the "Sale Motion," and, together with Ordinance 14490, the "Bond Ordinance"), certified by the Clerk of the County Council to have been duly adopted by the County and to be in full force and effect as of the date hereof, and (b) two copies of the preliminary official statement of the County dated October 14, 2002 (the "Preliminary Official Statement"), relating to the Bonds that the County has "deemed final" except as to certain specified items and that, together with the cover page thereof and all appendices, exhibits, reports and statements, included therein or attached

thereto and such amendments or supplements thereto as shall have been approved by the Underwriters as of the date hereof, is hereinafter referred to as the "Official Statement," executed by the Finance Manager.

As soon as possible, but in any event no more than seven business days after the time of the County's acceptance hereof, it shall deliver to the Underwriters as many copies of the Official Statement as required to permit the Underwriters to comply with the requirements of the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), including but not limited to the requirement that three copies of the Official Statement be delivered by the Underwriters to a nationally recognized municipal securities information repository ("NRMSIR"). The County hereby ratifies, approves and confirms the distribution and use of the Preliminary Official Statement by the Underwriters and authorizes the Underwriters to use and distribute the Official Statement in connection with the public offering and sale of the Bonds.

If, between the date of this Agreement and the earlier to occur of (i) 60 days after the date of the Closing and (ii) 25 days after the "end of the underwriting period," as the term is used in paragraph (e)(2) of Rule 15c2-13, any event shall occur or any preexisting fact shall become known by the County that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriters, and if, in the reasonable opinion of the Underwriters, such event requires preparation and distribution of a supplement or amendment to the Official Statement, the County will, at its expense, supplement or amend the Official Statement in a form and in a manner approved by the Underwriters, which approval shall not be unreasonably withheld. The end of the underwriting period shall be the date of the Closing unless the County is informed otherwise in writing by the Underwriters. If the Official Statement is supplemented or amended pursuant to this subsection, as of the date of each supplement or amendment thereto, to the best of the County's knowledge after due review and investigation, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit or fail to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. REPRESENTATIONS AND WARRANTIES OF THE COUNTY

The County hereby represents and warrants to the Underwriters, and (as applicable) covenants to the Underwriters, as follows:

(a) The County is a duly created and existing political subdivision of the State of Washington and has all requisite legal right, power and authority (i) to enter into this Agreement; (ii) to pass the Bond Ordinance; (iii) to execute, issue and deliver the Bonds as provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Agreement; (v) to execute and deliver the Official Statement; and (vi) to consummate the transactions to which it is or is to be a party as contemplated by each of these documents. The execution, delivery and performance of this Agreement and the Bonds and the

passage of the Bond Ordinance and the issuance of the Bonds thereunder, the execution and delivery by the County and the use by the Underwriters of the Official Statement and the consummation by the County of the transactions to which it is or is to be a party as contemplated hereby and by the Bond Ordinance and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) By the Sale Motion, the County has entered into a written agreement or contract constituting an "Undertaking" to provide ongoing disclosure about the County for the benefit of the owners of the Bonds on or before the Closing as required by paragraph (b)(5)(i) of the SEC Rule 15c2-12(b)(5) (the "Rule"), and in the form summarized in the Official Statement.

(c) This Agreement, the Official Statement, and the Bonds (when delivered and paid for at the Closing) have been or at the Closing shall be duly authorized, approved, executed, delivered and (in the case of the Bonds) registered and issued. This Agreement constitutes, and the Bonds, when registered, issued, executed and delivered, will constitute, legal, valid and binding obligations of the County, enforceable in accordance with their terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. The performance by the County of its obligations contained in this Agreement, the Official Statement and the Bonds and the consummation by it of all other transactions contemplated by each of those documents to have been performed or consummated at or prior to the Closing have been duly authorized and approved by the County, as the case may be. The Bond Ordinance has been duly and lawfully passed by the County, is in full force and effect and is valid and binding upon the County and enforceable in accordance with its terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. When delivered and paid for at the Closing, the Bonds will constitute valid, legally binding, limited tax general obligations of the County to which, as will be stated thereon, the full faith, credit and resources of the County are pledged, and shall be subject only to the terms and conditions, set forth in the Bond Ordinance and described in the Official Statement. The issuance of the Bonds is permitted by, and the Bonds when issued will be issued in compliance with, the provisions of the Bond Ordinance.

(d) To the best of the knowledge of the County's Finance Manager or another authorized representative of the County acceptable to the Underwriters, after due inquiry, the County is not in material breach of, or in material default under, any indenture, bank loan or credit agreement, bond or note, nor is the County in default under any statute, ordinance, resolution or (in any material respect) any other agreement or instrument, regulation, order, decree, license, permit, judgment, ruling or law or constitutional provision to which the County is a party, which breach or default would adversely affect the validity or enforceability of the Bonds.

(e) The passage of the Bond Ordinance, the execution, delivery and performance of this Agreement, the issuance and sale of the Bonds and the consummation of the transactions contemplated hereby and by these documents will not in any material respect conflict with or constitute on the part of the County a material breach of or material default under any agreement, indenture, bond, note, statute, ordinance, resolution or other instrument to which

the County is a party or to which it is bound or subject, which breach or default would adversely affect the validity or enforceability of the Bonds.

(f) Except as described in the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (either of the State of Washington or the United States Government) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of the Bonds, the Bond Ordinance or this Agreement; (ii) the County's pledge under the Bond Ordinance of the Sales Tax Revenues, Assessment Income, and ad valorem property taxes, and the lien thereunder on the Two-tenths Sales Tax Revenues; (iii) the County's covenant in the Bond Ordinance to include in its budget and levy the Public Transportation Sales Tax and ad valorem property taxes, as provided therein; (iv) the accuracy, completeness or fairness of the Official Statement; or (v) the legal existence of the County, the title of its elected officers to their respective offices, or the County's legal ability to perform its obligations hereunder or with respect to the Bonds, or to consummate any of the transactions to which it is or is to be a party as contemplated hereby or by the Bond Ordinance or this Agreement; to the best knowledge of the County's Finance Manager, after due inquiry, there is no other event or circumstance that would have a material adverse effect on the power or ability of the County to perform its obligations hereunder or with respect to the Bonds or to consummate the transactions to which it is or is to be a party as contemplated by the Bond Ordinance or this Agreement.

(g) The Bonds and the Bond Ordinance conform in all material respects to the descriptions thereof contained in the Official Statement.

(h) The Official Statement as of the date of this Agreement is true and complete in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the information contained therein not misleading. However, no warranty is given with respect to information under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION - Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System."

(i) Except as described in the Official Statement, the County does not intend to issue or incur, and the County is not aware of any plans to issue or incur, prior to the issuance of the Bonds, general obligation bonds, notes or other obligations, nor does the County intend to issue or incur, and the County is not aware of any plans to issue or incur prior to the issuance of the Bonds, bonds, note or other obligations secured by a pledge of Sales Tax Revenues or Assessment Income, or any material liabilities, direct or contingent, that will have a material adverse effect on the County's financial condition, nor does the County expect there to be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the County.

(j) Except as described in the Official Statement, all approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or

administrative authority or agency having jurisdiction in the matter required to be obtained by the County as a condition precedent to the performance by the County of its obligations hereunder, or under the Bonds and the Bond Ordinance, have been obtained and are in full force and effect (except no representation is made as to compliance with Blue Sky laws).

(k) Any certificates signed by any authorized representative or other authorized officer or representative of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(l) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the Underwriters as may be requested (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriters and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction. The County consents to the use of the Bond Ordinance, this Agreement and the Official Statement by the Underwriters in obtaining such qualifications.

(m) The County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the County is a bond issuer whose arbitrage certificates may not be relied upon.

(n) The financial statements of the County contained in the Official Statement fairly present the financial position of the County as of the dates and for the periods therein set forth, such financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities in Washington State, except to the extent described therein, and there has been no material adverse change in the financial position or results of operations of the County from those set forth in the Official Statement.

5. CONDITIONS TO THE OBLIGATIONS OF THE UNDERWRITERS

In addition to any other conditions herein stated, the obligations of the Underwriters hereunder are subject to the following conditions:

(a) The Bonds shall be issued and secured under and pursuant to the Bond Ordinance and shall be as described in and shall have the terms and conditions set forth in the Bond Ordinance and the Official Statement.

(b) At the time of the Closing, (i) this Agreement and the Bond Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented; (ii) this Agreement shall be in full force and effect; (iii) the County shall perform or have

performed all of its respective obligations required under or specified in this Agreement and the Bond Ordinance to be performed at or prior to the Closing; and (iv) all actions by or on behalf of the County or otherwise necessary to execute, authenticate, issue, deliver and sell the Bonds pursuant hereto to give effect to the pledge and other provisions of the Bond Ordinance shall have been taken.

(c) As of the date of the Official Statement, the Official Statement did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and at the time of the Closing, the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. However, no warranty or representation need be made with respect to the information contained under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION - Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System."

(d) Subsequent to the respective dates as of which information is given in the Official Statement, and prior to the time of the Closing, no material adverse change, or any development involving a prospective material adverse change, in the condition of the County, financial or otherwise, shall have taken place (other than as referred to in or contemplated by the Official Statement), and if prior to the Closing such an event occurs the County shall promptly notify the Underwriters, and if in the opinion of the Underwriters and its counsel such event requires a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement at its expense, in a form and in a manner approved by the Underwriters and Preston Gates & Ellis LLP, counsel to the Underwriters.

(e) The representations and warranties of the County contained herein shall have been true and complete on the date made and shall be true and complete at the time of the Closing with the same effect as if made at such time.

(f) At or prior to the Closing, unless otherwise agreed by the Underwriters in writing, the Underwriters shall receive the following documents:

(i) An approving legal opinion of Foster Pepper & Shefelman PLLC ("Bond Counsel"), dated the date of the Closing, in substantially the form attached to the Official Statement as Appendix A.

(ii) A supplemental opinion of Bond Counsel dated the date of the Closing and addressed to the Underwriters, to the effect that (A) the County has the legal right, power and authority to adopt the Bond Ordinance and to enter into this Agreement; to issue, sell and deliver the Bonds; to perform its obligations under the Bond Ordinance and this Agreement and to carry out the transactions contemplated thereby; (B) the County has duly adopted the Bond Ordinance and has duly approved, authorized and executed this Agreement, and, assuming due execution and delivery of the Agreement by the Underwriters, the Bond Ordinance and this Agreement constitute the legal, valid and binding obligations of the County, enforceable in accordance with their terms, except to the extent that enforceability is subject to bankruptcy,

insolvency, reorganization, moratorium and other laws affecting creditors' rights; (C) the Bonds have been duly authorized, executed and delivered, constitute legal, valid and binding obligations of the County in accordance with their terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights and are entitled to the benefits and security provided by the Bond Ordinance; (D) the Bond Ordinance creates (i) the valid pledge of Sales Tax Revenues, Assessment Income from Assessments levied as of the date hereof, and ad valorem property taxes and (ii) the valid lien on the Two-tenths Sales Tax Revenues that it purports to create and secures and/or supports the payment of the principal of, redemption premium, if any, on and interest on the Bonds, subject to the provisions of the Bond Ordinance; (E) the County has duly authorized an appropriate representative to approve and execute the Official Statement; (F) no consent or approval of, or registration or filing with, any commission, board, authority, reimbursement body or instrumentality of the State of Washington is or was required in connection with any of the actions of the County described in the preceding clauses hereof, except such consents, approvals, registrations or filings as have been obtained on or prior to this date, nor is any election or referendum of voters required in connection therewith; provided, however, that no opinion is to be provided with respect to compliance with any Blue Sky laws; (G) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); and (H) the statements contained in the Official Statement under the captions "THE BONDS" (except under the caption "Book-Entry System"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVE AND REFERENDUM" and "LEGAL AND TAX INFORMATION" (except under the caption "Litigation"), insofar as such statements contained under such captions purport to summarize certain provisions of the Bonds, the Bond Ordinance and this Agreement are true and correct and that based solely upon their participation as Bond Counsel in certain conferences with representatives of the County, the Underwriters, the financial advisor to the County and Underwriters' counsel during which conferences the contents of such Official Statement and related matters were discussed and without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, no facts came to the attention of the attorneys of such counsel rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date (except for information concerning DTC, the book-entry system and Appendix E to the Official Statement and any references to such information set forth therein in the Official Statement, and other financial, demographic and statistical data and projections included in the Official Statement, as to all of which no view need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented to the date of the Closing (except as aforesaid) as of the date of the Closing contains, any untrue statement of a material fact or that the Official Statement omitted as of its date, or that the Official Statement as so amended or supplemented omits as of the date of the Closing, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading. Such supplemental opinion may be subject to laws relating to bankruptcy, insolvency, reorganization or moratorium by other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with principles of equity.

(iii) An opinion of Bond Counsel dated the date of the Closing and addressed to the County, the Escrow Agent and Bond Insurer to the effect that, upon the issuance of the Bonds, the Refunded Bonds are defeased in accordance with the Refunded Bonds Resolution(s), are deemed paid and no longer outstanding thereunder and have no further claim of any kind to be paid from revenues or receipts of the County, and any pledge, lien, charge or other encumbrance created by the Refunded Bonds Resolution(s) with respect to the Refunded Bonds have been completely discharged;

(iv) An opinion, dated the date of the Closing and addressed to the Underwriters, of Preston Gates & Ellis LLC ("Underwriters' Counsel") to the effect that (A) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4)(A) of the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the offering and sale of the Bonds, to register any securities under the Securities Act or to qualify the Bond Ordinance under the Trust Indenture Act; (B) the County's undertaking to provide certain continuing disclosure information pursuant to paragraph (b)(5) of Rule 15c-12, provides a suitable basis for the Underwriters reasonably to determine, pursuant to paragraph b(5)(i) of the Rule, that the County has undertaken in a written agreement or contract for the benefit of the holders of the Bonds, to provide the annual financial information and notices required by the Rule; and (C) based upon their examination of information made available to them in the course of their participation in the preparation of the Official Statement as Underwriters' Counsel and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel have no reason to believe that the Official Statement as of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial, economic or statistical data contained in the Official Statement, or as to the information set forth in the Official Statement under the captions "THE BONDS - Book-Entry System" and the information concerning DTC in "Appendix E - Book-Entry System," as to which such counsel need not express any view) and with respect to such other matters as the Underwriters may require. In rendering the opinion provided above, Underwriters' Counsel may rely upon the unqualified approving opinion of Bond Counsel, to the extent that such opinion addresses the validity of the Bonds, the Bond Ordinance and the governmental status of the County.

(v) An opinion of a County Prosecuting Attorney, dated the date of the Closing and addressed to the Underwriters, based on such inquiry and investigation as he or she has deemed sufficient, to the effect that except as disclosed in the Official Statement, (A) there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the levy of the taxes or Assessments pledged to pay the principal thereof and interest thereon, or in any manner questioning or contesting the proceedings and authority under which the Bonds are issued, the validity of the Bonds, the corporate existence or boundaries of the County, or the title of the present officers to their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds when due; (B) the statements contained in the Official Statement under the caption "LEGAL AND TAX INFORMATION - Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair

and accurate summary of such litigation and are true and correct; (C) to the best of such counsel's knowledge, neither the execution nor delivery by the County of this Agreement nor the Bonds nor the adoption by the County of the Bond Ordinance, nor the compliance by the County with the terms and conditions hereof and thereof have resulted or will result in either (i) a conflict with or a breach of any of the terms or provisions of any writ, injunction or decree of any court, or (ii) a material breach under the terms or provisions of any agreement by which the County is bound, which conflict or breach would have a material effect on the County's authority to provide for the timely payment of the principal of and interest on the Bonds; and (D) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

(vi) The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the County by the Finance Manager.

(vii) The County shall have furnished evidence satisfactory to the Underwriters that, based on the municipal bond insurance policy provided by Financial Security Assurance Inc., the Bonds have been rated Aaa by Moody's Investors Service, Inc., and AAA by Standard & Poor's Ratings Services.

(viii) A certificate or certificates of the County executed by the Finance Manager or other authorized officer or representative of the County, dated the date of the Closing, to the effect that on the date of the certificate (A) the representations, warranties and covenants of the County contained in this Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made at the time of the Closing; (B) to the best of his or her knowledge, the Official Statement as of the date of this Agreement and as of the date of the Closing, was and is true and complete in all material respects and does not contain an untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation or warranty need be made with respect to the information contained under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION - Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System," (C) that the County is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations for borrowed money of the County; (D) that all payments into all funds or accounts created and established for the payment and security of all Parity Bonds have been made in full and that the amounts on deposit in such funds or accounts are the amounts then required to be deposited therein; (E) nothing has come to his or her attention to lead him or her to believe that the financial information and statistical data in the Official Statement contain any untrue statement of a material fact or omits or fail to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (however, no warranty or representation need be made with respect to the information contained under the captions entitled "THE BONDS - Book-Entry System," "LEGAL AND TAX INFORMATION-Tax Exemption for the Bonds" and the information concerning DTC in "Appendix E - Book-Entry System," (F) the County has never defaulted in the payment of principal or interest on any of its obligations for borrowed money; and (G) to the best of his or her knowledge, the County has complied in all material respects with all agreements and satisfied in all material respects all

conditions contemplated by this Agreement and the Bond Ordinance on its part to be performed or satisfied at or prior to the delivery of the Bonds.

(ix) A certificate signed by the Finance Manager setting forth facts, estimates and circumstances (including covenants of the County) in existence on the date of the Closing, sufficient to support the conclusion that (A) it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of the 1986, as amended, and stating that to the best of his or her knowledge and belief, there are not other facts, estimates or circumstances that would adversely affect such expectations.

(x) An executed copy of the Escrow Agreement.

(xi) A DTC Blanket Issuer Letter of Representations, executed by the County and accepted by DTC.

(xii) Verification by Grant Thornton LLP, independent certified public accountants, of the mathematical accuracy of computations showing the sufficiency of the maturing principal of and interest on obligations purchased with proceeds of the Bonds, together with any other amounts deposited for such purpose, to pay the maturing principal of, interest on and redemption price of the Refunded Bonds and to cause the Refunded Bonds to be deemed to be paid and no longer outstanding.

(xiii) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the accuracy, as of the date hereof and as of the Closing, of the County's representations and warranties contained herein and in the Official Statement and contained in any of the certificates or other documents referred to in this Agreement, as the same may be supplemented or amended, and the due performance and satisfaction by the County at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the County.

(xiv) Evidence of the issuance of a municipal bond insurance policy by Financial Security Assurance Inc. insuring payment of the principal of and interest on the Bonds.

All certificates, opinions and other documents and instruments delivered pursuant to this section 5 shall be satisfactory in form and substance to the Underwriters and to Underwriters' Counsel; provided, however, that approval of such form and substance shall not be unreasonably withheld.

6. TERMINATION OF CONTRACT

The Underwriters shall have the right in their sole discretion to cancel the Underwriters' obligations hereunder to purchase the Bonds (and such cancellation shall not constitute a default hereunder) by notifying the County of its election to do so between the date hereof and the Closing if, at any time hereafter and prior to the Closing:

(a) The marketability of the Bonds or the market price thereof, in the opinion of the Representative, has been materially adversely affected by (i) an amendment to the Constitution of the United States of America or by any legislation that shall have been introduced in or enacted by the Congress of the United States; (ii) legislation pending in the Congress of the United States; or (iii) legislation (including any amendment thereto, whether or not in formal bill form) recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives; or (iv) legislation (including any amendment thereto, whether or not in formal bill form) proposed that may have an effective date prior to the Closing for consideration by either such Committee or by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States; or (v) legislation favorably presented for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration; (vi) a decision by a court of the United States or the Tax Court of the United States; or (vii) a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency, with respect to federal taxation of revenues or other income of the general character expected to be derived by the County or upon interest received on securities of the general character of the Bonds or which would change, directly or indirectly, the federal income tax consequences resulting from ownership of or receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof.

(b) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Washington, or a decision by a court within Washington shall be rendered, which in the Underwriters' opinion, materially adversely affects the marketability of the Bonds or the ability of the Underwriters to enforce contracts for sale of the Bonds.

(c) In the Underwriters' opinion, any act or event shall exist or may exist that requires or has required an amendment or supplement to the Official Statement, or the subject matter of any amendment or supplement to the Official Statement materially and adversely affects (i) the market price or marketability of the Bonds or (ii) the ability of the Underwriters to enforce contracts for sale of the Bonds.

(d) The New York Stock Exchange or other national securities exchange, the Municipal Securities Rulemaking Board (the "MSRB"), the National Association of Securities Dealers, Inc. (the "NASD"), or any governmental authority or agency shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the offering, sale and distribution, or extension of credit in connection with the purchase of the Bonds.

(e) A general banking moratorium shall have been established by the United States or New York or Washington State authorities.

(f) Any amendment to the Constitution of the United States of America, any legislation enacted by the United States of America, any decision of any court of the United States of America, or any order, ruling, regulation or official statement issued or made by or on behalf of the Securities and Exchange Commission, or of any other governmental agency having jurisdiction over the subject matter, having the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from the registration requirements of the Securities Act, or that the Bond Ordinance is not exempt from qualification under the Trust Indenture Act.

(g) Any rating of the Bonds or any other general obligations of the County shall have been downgraded or withdrawn by a national rating service, which event, in the Underwriters' opinion, materially adversely affects the market price of the Bonds, or any proceeding shall be pending or threatened by the Securities and Exchange Commission or the Attorney General of the State of Washington against the County relating to the Bonds.

(h) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis including financial crisis, the effect of which on the financial markets of the United States being such, as in the reasonable judgment of the Underwriters, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds.

7. EFFECT OF TERMINATION

If the sale to the Underwriters of the Bonds, as herein contemplated, is not carried out by the Underwriters for any reason permitted hereunder or if such sale is not carried out because the County shall be unable to comply with any of the terms hereof, the County shall be under no obligation or liability under this Agreement (except to the extent provided in section 8 hereof), and the Underwriters shall be under no obligation or liability to the County.

8. PAYMENT OF COSTS

(a) Whether or not the Bonds are issued as contemplated by this Agreement, the Underwriters shall be under no obligation to pay, and the County hereby agrees to pay, any expenses incident to the performance of the County's obligations hereunder, including but not limited to (i) the costs of the preparation and printing of the Bonds and the Bond Ordinance, printing and distribution of the Official Statement, and preparation of all other documents prepared by the County or its counsel; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of other counsel to the County; (iv) the fees of agencies rating the Bonds; (v) the fees of the bond registrar and paying agent; (vi) the fees and disbursement of accountants, consultants and advisors to the County, including, without limitation and the fees of the financial advisors to the County; and (vii) any other expenses and costs, including costs and expenses of credit enhancement, if any, of the County incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters.

(b) The Underwriters shall pay (i) any fees assessed upon the Underwriters with respect to the Bonds by the MSRB, the NASD or any NRMSIR; (ii) all advertising

expenses in connection with any public offering of the Bonds; (iii) the costs of qualifying the Bonds under the Blue Sky or other securities laws of such jurisdictions as the Underwriters may determine and the costs of the preparation and printing of Blue Sky memoranda; and (iv) all other costs and expenses incurred by them in connection with any public offering and distribution of the Bonds, including the fees and disbursements of Underwriters' Counsel, including expenses in connection with preparation of the Official Statement.

9. INDEMNIFICATION

To the extent permitted by law, the County shall indemnify and hold harmless the Underwriters, each of their partners, officers and employees and each person who controls any of the Underwriters within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the "1933 Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) a determination that the Bonds should have been registered under the 1933 Act or the Bond Ordinance should have been qualified under the Trust Indenture Act of 1939, as amended, or (ii) any untrue statement of a material fact contained in the Official Statement and any supplement thereto, or the omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity as described in this section is limited to such losses or damages as are directly the result of the acts or omissions of the County and, should any Indemnified Party make a claim for indemnity under this Agreement, the County shall have the right to (i) retain counsel to defend any such action and (ii) control and direct any defense of such claims in such action. This indemnity shall not be construed as a limitation on any other liability that the County may otherwise have to any Indemnified Party; provided, however, that in no event shall the County be obligated for double indemnification.

10. NOTICES

Any notice or other communication to be given to the County under this Agreement may be given by delivering the same in writing to the King County Finance and Business Operations Division, 500 Fourth Avenue, Seattle, Washington, 98101, Attention: Manager, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to UBS PaineWebber Inc., 777 South Figueroa Street, Los Angeles, California 90017, Attention: Jeffrey D. Bower.

11. GENERAL

This Agreement is made solely for the benefit of the County and the Underwriters (including any successor of any Underwriter), and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on

behalf of an Underwriters and shall survive the delivery of the Bonds and any termination of this Agreement.

12. WAIVERS

Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by them at their discretion.

13. EFFECTIVENESS OF CONTRACT

This Agreement shall become effective upon the execution hereof by the Finance Manager and the execution of the acceptance hereof by the Underwriters and shall be valid and enforceable as of the time of such execution and acceptance.

14. GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the State of Washington. Venue for any action under this Agreement shall be in the Superior Court of the State of Washington for King County.

15. **COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Respectfully submitted,

UBS PAINWEBBER INC.
SIEBERT BRANDFORD SHANK & CO.,
LLC

By: _____
Jeffrey D. Bower, Director
UBS PaineWebber Inc.

Accepted October 21, 2002

KING COUNTY, WASHINGTON

By: _____
Robert V. Cowan
Manager of Finance and Business
Operations Division

EXHIBIT A

**King County, Washington
Limited Tax General Obligation (Public Transportation Sales Tax) Refunding Bonds, 2002**

Maturity Date	Principal Amount	Interest Rate	Yield
2003	\$ 2,310,000	3.00%	1.87%
2004	2,610,000	5.00	2.25
2005	2,740,000	5.00	2.59
2006	2,875,000	5.00	2.89
2007	300,000	3.125	3.19
2007	2,715,000	5.00	3.19
2008	3,160,000	3.50	3.49
2009	3,280,000	5.00	3.71
2010	3,455,000	5.25	3.91
2011	3,645,000	5.25	4.01
2012	3,835,000	5.25	4.11
2013	4,025,000	5.375	4.22
2014	4,260,000	5.375	4.35
2015	4,480,000	5.50	4.45
2016	4,740,000	5.50	4.55
2017	5,000,000	5.375	4.65
2018	5,285,000	5.375	4.75
2019	5,570,000	5.375	4.85

The Bonds will be dated and bear interest from November 5, 2002, calculated on the basis of a 360-day year consisting of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing June 1, 2003, to their stated dates of maturity or prior redemption. Bonds maturing on and after December 1, 2013, are subject to optional redemption on or after December 1, 2012, at par plus accrued interest.