



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 18, 2003**

**Motion 11794**

**Proposed No.** 2003-0333.2

**Sponsors** Phillips

1           A MOTION of the county accepting bids for the purchase  
2           of \$80,000,000 aggregate principal amount of the county's  
3           Limited Tax General Obligation Bond Anticipation Notes,  
4           2003, Series A, and \$28,800,000 aggregate principal  
5           amount of the county's Limited Tax General Obligation  
6           Bond Anticipation Notes, 2003, Series B; fixing the interest  
7           rates and other terms of such Notes, all in accordance with  
8           Ordinance 14167, as amended by Ordinance 14463 and  
9           Ordinance 14745.

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12           PREAMBLE:

13           Pursuant to Ordinance 14167, the county council authorized the issuance  
14           of one or more series of its limited tax general obligation bonds in an  
15           outstanding aggregate principal amount not to exceed \$125,000,000 to  
16           provide long-term financing for the Courthouse Seismic Project, the North  
17           Rehabilitation Facility Project and the Regional Communications and

18 Emergency Control Center Project, each defined and described in  
19 Ordinance 14167, and further authorized the issuance and public sale of  
20 one or more series of its limited tax general obligation bond anticipation  
21 notes in an outstanding aggregate principal amount not to exceed  
22 \$125,000,000 to provide interim financing for such projects pending the  
23 issuance of the bonds.

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25 Pursuant to Ordinance 14463, the county council amended Ordinance  
26 14167 to revise the description of the North Rehabilitation Facility Project  
27 and to augment the projects authorized to be financed, on a long-term  
28 basis, by such bonds, and pending the sale of such bonds, on an interim  
29 basis, by such bond anticipation notes by the addition of the Courthouse  
30 Earthquake Repairs, all as defined and described in Ordinance 14463.

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32 Pursuant to Ordinance 14745, the county council amended Ordinance  
33 14167, as previously amended by Ordinance 14463, to add the Integrated  
34 Security and Jail Health Remodel Project to the list of projects that are  
35 authorized to be financed, on a long-term basis, by such bonds, and  
36 pending the sale of such bonds, on an interim basis, by such bond  
37 anticipation notes, and that the maximum outstanding aggregate principal  
38 amount of such bonds and bond anticipation notes be increased to  
39 \$145,000,000 as a result; and also to amend certain provisions of  
40 Ordinance 14167, as previously amended by Ordinance 14463 (as so

41 amended, the "Note Ordinance"), pertaining to such bonds and bond  
42 anticipation notes.

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44 The Note Ordinance provided that such bond anticipation notes may be  
45 sold in one or more series at public sale as determined by the Finance  
46 Director.

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48 The Finance Director has determined that two series of such bond  
49 anticipation notes, to be designated as the county's Limited Tax General  
50 Obligation Bond Anticipation Notes, 2003, Series A, in the aggregate  
51 principal amount of \$80,000,000 (the "2003A Notes"), and the county's  
52 Limited Tax General Obligation Bond Anticipation Notes, 2003, Series B,  
53 in the aggregate principal amount of \$28,800,000 (the "2003B Notes" and,  
54 together with the 2003A Notes, the "Notes"), be sold as provided herein.

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56 None of such bonds are currently outstanding, but \$85,000,000 in  
57 aggregate principal amount of such bond anticipation notes are currently  
58 outstanding, all of which will be repaid and retired with proceeds of the  
59 Notes. The aggregate principal amount of all such bond anticipation notes  
60 to be outstanding on the date of issuance of the Notes will be  
61 \$108,800,000, which amount does not exceed the remainder of  
62 \$145,000,000 less the aggregate principal amount of all such bonds to be  
63 outstanding on the date of issuance of the Notes.

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Pursuant to the Note Ordinance, a preliminary official statement dated  
66 September 5, 2003 has been prepared for the public sale of the Notes, the  
67 official Notice of such sale (the "Notice") has been duly published, and  
68 bids have been received in accordance with the Notice.

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The attached bid of Banc of America Securities LLC to purchase the  
71 2003A Notes is the best bid received for such 2003A Notes, and it is in the  
72 best interest of the county that such 2003A Notes be sold to Banc of  
73 America Securities LLC on the terms set forth in the Notice, the attached  
74 bid, the Note Ordinance and this motion.

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The attached bid of Lehman Brothers to purchase the 2003B Notes is the  
77 best bid received for such 2003B Notes, and it is in the best interest of the  
78 county that such 2003B Notes be sold to Lehman Brothers on the terms set  
79 forth in the Notice, the attached bid, the Note Ordinance and this motion.

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

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

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B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
85 Notes. The issuance of the 2003A Notes, designated as the county's Limited Tax  
86 General Obligation Bond Anticipation Notes, 2003, Series A, in the aggregate principal

87 amount of \$80,000,000 and the terms and conditions thereof set forth in the Notice,  
88 attached hereto as Exhibit A, are hereby ratified and confirmed, and the offer to purchase  
89 the 2003A Notes, as set forth in the bid of Banc of America Securities LLC attached  
90 hereto as Exhibit B, are hereby accepted. The 2003A Notes shall be dated October 1,  
91 2003, and shall mature on October 1, 2004. The 2003A Notes shall bear interest at the  
92 rates and payable on the dates set forth on Exhibit B. The 2003A Notes shall not be  
93 subject to redemption. The 2003A Notes shall conform in all other respects to the terms  
94 and conditions specified in the Notice and Note Ordinance.

95 The issuance of the 2003B Notes, designated as the county's Limited Tax General  
96 Obligation Bond Anticipation Notes, 2003, Series B, in the aggregate principal amount of  
97 \$28,800,000 and the terms and conditions thereof set forth in the Notice are hereby  
98 ratified and confirmed, and the offer to purchase the 2003B Notes, as set forth in the bid  
99 of Lehman Brothers attached hereto as Exhibit C, are hereby accepted. The 2003B Notes  
100 shall be dated October 1, 2003, and shall mature on November 1, 2003. The 2003B  
101 Notes shall bear interest at the rates and payable on the dates set forth on Exhibit C. The  
102 2003B Notes shall not be subject to redemption. The 2003B Notes shall conform in all  
103 other respects to the terms and conditions specified in the Notice and Note Ordinance.

104 C. Undertaking to Provide Ongoing Disclosure.

105 1. Contract/Undertaking. This section C constitutes the county's  
106 written undertaking for the benefit of the owners and beneficial owners of the Notes as  
107 required by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange  
108 Commission (the "commission").

109                   2.     Financial Statements/Operating Data. The county agrees to  
110 provide or cause to be provided to each nationally recognized municipal securities  
111 information repository (“NRMSIR”) and to the state information depository (the “SID”),  
112 if any, in each case as designated by the commission in accordance with the rule, the  
113 following annual financial information and operating data for the prior fiscal year  
114 (commencing in 2004 for the fiscal year ended December 31, 2003):

115                   (a)     annual financial statements prepared in accordance with the  
116 Budget Accounting and Reporting System (“BARS”) prescribed by the Washington State  
117 Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type  
118 included in the official statement for the Bonds under the heading “Appendix B: Audited  
119 2002 Financial Statements,” which statements will not be audited, except that if and  
120 when audited financial statements are otherwise prepared and available to the county they  
121 will be provided;

122                   (b)     a summary of the assessed value of taxable property in the  
123 county;

124                   (c)     a summary of budgeted General Fund revenues and  
125 appropriations;

126                   (d)     a summary of *ad valorem* property tax levy rates per  
127 \$1,000 of assessed value and delinquency rates;

128                   (e)     a summary of outstanding tax-supported indebtedness of  
129 the county; and

130                   (f)     a schedule of the aggregate annual debt service on  
131 tax-supported indebtedness of the county.

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

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

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

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

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- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;

- 154 (c) unscheduled draws on debt service reserves reflecting  
155 financial difficulties;
- 156 (d) unscheduled draws on credit enhancements reflecting  
157 financial difficulties;
- 158 (e) substitution of credit or liquidity providers, or their failure  
159 to perform;
- 160 (f) adverse tax opinions or events affecting the tax-exempt  
161 status of the Notes;
- 162 (g) modifications to rights of Noteholders;
- 163 (h) optional, contingent or unscheduled calls of any Notes  
164 other than scheduled sinking fund redemptions for which notice is given pursuant to  
165 Exchange Act Release 34-23856;
- 166 (i) defeasances;
- 167 (j) release, substitution or sale of property securing repayment  
168 of the Notes; and
- 169 (k) rating changes.

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

173 4. Notification Upon Failure to Provide Financial Data. The county  
174 agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the  
175 MSRB and to the SID, if any, notice of its failure to provide the annual financial



176 information described in subsection 2 above on or prior to the date set forth in subsection  
177 2 above.

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

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

189           In the event of any amendment or waiver of a provision of this section C, the  
190 county shall describe such amendment in the next annual report, and shall include, as  
191 applicable, a narrative explanation of the reason for the amendment or waiver and its  
192 impact on the type (or in the case of a change of accounting principles, on the  
193 presentation) of financial information or operating data being presented by the county. In  
194 addition, if the amendment relates to the accounting principles to be followed in  
195 preparing financial statements, (i) notice of such change shall be given in the same  
196 manner as for a material event under subsection 3, and (ii) the annual report for the year  
197 in which the change is made should present a comparison (in narrative form and also, if  
198 feasible, in quantitative form) between the financial statements as prepared on the basis

199 of the new accounting principles and those prepared on the basis of the former accounting  
200 principles.

201           6.     Note Owner’s Remedies Under This Section. The right of any  
202 Note owner or beneficial owner of Notes to enforce the provisions of this section shall be  
203 limited to a right to obtain specific enforcement of the county’s obligations hereunder,  
204 and any failure by the county to comply with the provisions of this undertaking shall not  
205 be an event of default with respect to the Notes. For purposes of this section, “beneficial  
206 owner” means any person who has the power, directly or indirectly, to vote or consent  
207 with respect to, or to dispose of ownership of, any Notes, including persons holding  
208 Notes through nominees or depositories.

209           D.     Further Authority. The county officials, their agents, and representatives  
210 are hereby authorized and directed to do everything necessary for the prompt issuance  
211 and delivery of the Notes and for the proper use and application of the proceeds of such  
212 sale.

213           E.     Severability. The covenants contained in this motion shall constitute a  
214 contract between the county and the owners of each and every Note. If any one or more  
215 of the covenants or agreements provided in this motion to be performed on the part of the  
216 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
217 such covenant or covenants, agreement or agreements, shall be null and void and shall be

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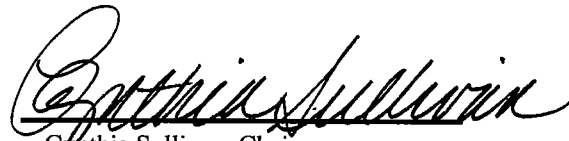
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218 deemed separable from the remaining covenants and agreements of this motion and shall  
219 in no way affect the validity of the other provisions of this motion or of the Notes.  
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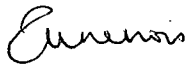
Motion 11794 was introduced on 7/21/2003 and passed by the Metropolitan King County Council on 9/18/2003, by the following vote:

Yes: 11 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Hammond, Mr. Gossett and Mr. Irons  
No: 0  
Excused: 2 - Ms. Hague and Ms. Patterson

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Cynthia Sullivan, Chair

ATTEST:

  
\_\_\_\_\_

Anne Noris, Clerk of the Council

**Attachments**      A. Exhibit A, B. Exhibit B, C. Exhibit C

# 11794

# ATTACHMENT A.

## OFFICIAL NOTICE OF NOTE SALE

KING COUNTY, WASHINGTON

### LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES

\$80,000,000\*  
2003, SERIES A

\$28,800,000\*  
2003, SERIES B

Sealed and electronic (as explained below) bids for the above-referenced notes (the "Notes") 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 15, 2003,**

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 Notes. All bids received with respect to the Notes 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.

Each series of the Notes will be sold separately, on an all-or-none basis. Bidders who choose to bid on more than one series must submit a separate bid for each series.

Bids for each series of the Notes 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 either or both series of the Notes, such bidder hereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Note Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of Note 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 Note 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.

\* Preliminary, subject to change.

# 11794

- (v) The County may regard the electronic transmission of a bid through *PARITY* (including information regarding the purchase price for each series of the Notes and the interest rate for each series of the Notes) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory.
- (vi) Upon acceptance of a bid for each series of the Notes by the County, this Official Notice of Note Sale, the applicable 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 either series of the Notes are rejected, the Finance Manager may fix a new date and time for the receipt of bids for the applicable series of Notes 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 Note Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Note Sale and the Official Bid Forms), dated September 5, 2003, and further information regarding the details of the Notes 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 Notes

The Notes will be dated October 1, 2003. Interest on the Notes will be payable at maturity.

The Notes are issuable only as fully registered notes and when issued will be registered in the name of Cede & Co. as Note owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. The principal of and interest on the Notes are payable by the fiscal agency for the State of Washington, currently The Bank of New York in New York, New York (the "Note 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 Notes.

#### Security

The Notes are general obligations of the County. The County has irrevocably covenanted that, for as long as the Notes are outstanding, each year it will include in its budget and levy an *ad valorem* tax 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 bond proceeds and all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Notes as the same will become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of such taxes and the prompt payment of such 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 either series of the Notes fixing the interest rate that the applicable series of Notes will bear. The maximum interest rate bid may not exceed five percent (5%) per annum. The interest rate bid shall be in a multiple of 1/8 or 1/20 of one percent and the Notes of the applicable series shall bear no more than one rate of interest. Bids shall be without condition and shall be submitted only on the applicable 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 either series of the Notes for less than an amount equal to 99.5 percent of par plus accrued interest or for less than the entire offering of the applicable series of the Notes. The purchaser of each series of the Notes must pay accrued interest, if any, to the date of delivery of the applicable series of Notes.

For the purpose of comparing bids only, the interest rate bid being controlling, each bid for each series of the Notes shall state the net interest cost of the bid determined in the manner hereinafter stated. The net interest cost will be equal to the total interest cost plus any premium and minus any discount, divided by the bond year dollars.

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.

### **Good Faith Deposit**

All bids shall be accompanied by a good faith deposit in the amount of \$1,000,000 for the 2003A Notes and \$300,000 for the 2003B Notes. The good faith deposit for the applicable series shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division Manager or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to 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 Notes of either series 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 for each series of the Notes will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the applicable series of Notes on the delivery of such series of Notes to the successful bidder. Pending delivery of the applicable series of Notes, the good faith deposit may be invested for the sole benefit of the County.

If the Notes of either series are ready for delivery and the successful bidder fails to complete the purchase of such series of Notes 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 either series of the Notes shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Notes 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 Notes resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of either series of the Notes 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 such series of the Notes.

### **Award**

The Notes of each series will be sold to the bidder making a bid for that series of Notes that conforms to the terms of the offering and that, on the basis of the lowest net interest cost, is the best bid. For the purpose of comparing bids only, the interest rate bid being controlling, each bid shall state the net interest cost of the bid determined in the manner hereinafter stated. The net interest cost will be equal to the total interest cost plus any premium and minus any discount, divided by the bond year dollars. 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 Note 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 each series of the Notes, the successful bidder for such series of Notes shall advise the County and Bond Counsel of the initial reoffering price to the public of such series of Notes (the "Initial Reoffering Price"). Simultaneously with or before delivery of the Notes, the successful bidder of each series of Notes shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

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

## Delivery

The County will deliver the Notes (consisting of a single word-processed certificate for each series of the Notes) to DTC in New York, New York, or to the Note 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 1, 2003.

It is understood that if, prior to the delivery of the either series of the Notes, the interest receivable by the owners of such series of Notes 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 applicable series of Notes, the successful bidder, at its option, may be relieved of its obligation to purchase such Notes, 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, for each series of the Notes will be provided to the applicable purchaser at the time of the delivery of the Notes. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes, 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 Notes.

## CUSIP Number

It is anticipated that a CUSIP identification number will be printed on the Notes, but neither the failure to print such number on the Notes 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 Notes in accordance with the terms of this Official Notice of Sale. The County will be responsible for obtaining the CUSIP number and all expenses in relation to the printing of the CUSIP number on the Notes will be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser.

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**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 Notes, 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 Notes, 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 5th day of September, 2003.

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Clerk of the Metropolitan King County Council





Banc of America Securities LLC - San Francisco, CA's Bid



King County  
\$80,000,000 Limited Tax General Obligation  
Bond Anticipation Notes, 2003, Series A

For the aggregate principal amount of \$80,000,000.00, we will pay you \$80,750,400.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
10/01/2004	80,000M	2.0000	1.0520	100.938

Total Interest Cost: \$1,600,000.00  
 Premium: \$750,400.00  
 Net Interest Cost: \$849,600.00  
 NIC: 1.062000  
 Time Last Bid Received On: 09/18/2003 8:57:09 PDST

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

Bidder: Banc of America Securities LLC, San Francisco, CA  
 Contact: David Kelp  
 Title:  
 Telephone: 415-622-6391  
 Fax: 415-622-3437

Issuer Name: King County Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

# 11794

# ATTACHMENT C.



## Lehman Brothers - New York, NY's Bid



### King County \$28,800,000 Limited Tax General Obligation Bond Anticipation Notes, 2003, Series B

For the aggregate principal amount of \$28,800,000.00, we will pay you \$28,816,704.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
11/01/2003	28,800M	1.5000	0.8000	100.058

Total Interest Cost: \$36,000.00  
 Premium: \$16,704.00  
 Net Interest Cost: \$19,296.00  
 NIC: 0.804000  
 Time Last Bid Received On: 09/18/2003 8:56:22 PDST

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

Bidder: Lehman Brothers, New York, NY  
 Contact: Kathy Ryan  
 Title:  
 Telephone: 212-528-1016  
 Fax:

Issuer Name: King County

Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_