



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**August 31, 2004**

**Motion 11986**

**Proposed No.** 2004-0162.2

**Sponsors** Gossett

1           A MOTION of the county council accepting a bid for the  
2           purchase of the county's Limited Tax General Obligation  
3           Refunding Bonds, 2004, Series A in the aggregate principal  
4           amount of \$57,045,000, and establishing certain terms of  
5           such bonds and a plan of refunding, all in accordance with  
6           Ordinance 14890.

7  
8  
9           WHEREAS, pursuant to Ordinance 14890 (the "Bond Ordinance"), the county  
10          council authorized the issuance of one or more series of its limited tax general obligation  
11          refunding bonds in an outstanding aggregate principal amount not to exceed  
12          \$107,500,000 to refund all or a portion of the county's Limited Tax General Obligation  
13          and Refunding Bonds (Various Purpose), 1993 Series B and Limited Tax General  
14          Obligation and Refunding Bonds (Various Purpose), 1996 Series A, and

15          WHEREAS, the Bond Ordinance provided that such bonds may be publicly sold  
16          in one or more series, any of which may be sold in a combined offering with other bonds

17 of the county, either by negotiated sale or by competitive bid, as determined by the  
18 Finance Director in consultation with the county's financial advisors, and

19 WHEREAS, the Finance Director has determined, in consultation with the  
20 county's financial advisors, that a series of the bonds authorized pursuant to the Bond  
21 Ordinance, to be designated as the county's Limited Tax General Obligation Refunding  
22 Bonds, 2004, Series A (the "Bonds") be sold by competitive bid as provided herein, and

23 WHEREAS, none of the bonds authorized by the Bond Ordinance are currently  
24 outstanding, and

25 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
26 dated August 23, 2004, has been prepared for the public sale of the Bonds, the official  
27 Notice of such sale (the "Notice") has been duly published, and bids have been received  
28 in accordance with the Notice, and

29 WHEREAS, the attached bid of ABN AMRO Financial Services, Inc. to purchase  
30 the Bonds is the best bid received, and it is in the best interest of the county that the  
31 Bonds be sold to ABN AMRO Financial Services, Inc. on the terms set forth in the  
32 Notice, the attached bid, the Bond Ordinance and this motion;

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

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

36 B. Ratification of Notice of Sale, Acceptance of Bid and Authorization of Bonds.

37 The issuance of the Bonds, designated as the county's "Limited Tax General Obligation  
38 Refunding Bonds, 2004, Series A," in the aggregate principal amount of \$57,045,000,  
39 and the terms and conditions thereof, as set forth in the Notice attached hereto as Exhibit

40 A, are hereby ratified and confirmed. The offer to purchase the Bonds, as set forth in the  
41 bid of ABN AMRO Financial Services, Inc. attached hereto as Exhibit B, which shall be  
42 deemed to be adjusted to reflect the changed total par amount of the Bonds and the  
43 changed principal amounts of all of the maturities thereof, as and to the extent permitted  
44 by the Notice, is hereby accepted. The Bonds shall be dated their date of issue and  
45 delivery and shall be subject to optional redemption as set forth in the Notice. The Bonds  
46 shall mature or be subject to mandatory redemption, as applicable, on the dates in each of  
47 the years and in the amounts, and shall bear interest at the rates and payable on the dates  
48 specified in the Exhibit C hereto. In all other respects, the Bonds shall conform to the  
49 terms and conditions specified in the Notice and Bond Ordinance, which terms are hereby  
50 ratified and confirmed.

51 C. Application of Bond Proceeds. All of the proceeds of the Bonds shall be  
52 applied to the refunding of \$57,010,000 of the county's Limited Tax General Obligation  
53 and Refunding Bonds (Various Purpose), 1996 Series A described in Exhibit D hereto  
54 (the "Refunded 1996A Bonds"), and paying costs and expenses incurred in issuing the  
55 Bonds.

56 D. Refunding of Refunded 1996A Bonds.

57 1. Plan of Refunding. The proper county officials are authorized to carry out  
58 the refunding of the Refunded 1996A Bonds in accordance with Section 11 of the Bond  
59 Ordinance. The amounts, maturities and redemption dates of the Refunded 1996A Bonds  
60 shall be as identified in Exhibit D. The amounts, maturities and interest rates of the  
61 Government Obligations to be purchased to accomplish the refunding of the Refunded  
62 1996A Bonds shall be as identified in Exhibit E hereto.

63           2. Escrow Trustee. The selection of U.S. Bank National Association as Escrow  
64 Trustee is hereby ratified and confirmed.

65           3. Finding of Savings and Defeasance. The county council finds and determines  
66 that a substantial savings will be effected by the difference between the principal and  
67 interest cost over the life of the Bonds and the principal and interest cost over the life of  
68 the Refunded 1996A Bonds but for such refunding, and that the Government Obligations  
69 to be deposited with the Escrow Trustee and the income therefrom, together with any  
70 necessary beginning cash balance, are sufficient to defease and redeem the above-  
71 referenced Refunded 1996A Bonds and will discharge and satisfy the obligations of the  
72 county with respect to the Refunded 1996A Bonds under Ordinance 12070, and the  
73 pledges of the county in such ordinance. Immediately upon delivery of such Government  
74 Obligations to the Escrow Trustee and the deposit of any necessary beginning cash  
75 balance, the Refunded 1996A Bonds shall be deemed not to be outstanding under  
76 Ordinance 10685, and shall cease to be entitled to any lien, benefit or security under that  
77 ordinance except the right to receive payment from the Government Obligations and  
78 beginning cash balance so set aside and pledged.

79           E. Undertaking to Provide Ongoing Disclosure.

80           1. Contract/Undertaking. This section E constitutes the county's written  
81 undertaking for the benefit of the owners and beneficial owners of the Bonds as required  
82 by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission  
83 (the "commission").

84           2. Financial Statements/Operating Data. The county agrees to provide or cause  
85 to be provided to each nationally recognized municipal securities information repository

86 ("NRMSIR") and to the state information depository (the "SID"), if any, in each case as  
87 designated by the commission in accordance with the rule, the following annual financial  
88 information and operating data for the prior fiscal year (commencing in 2005 for the  
89 fiscal year ended December 31, 2004):

90 (a) annual financial statements prepared in accordance with the Budget  
91 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor  
92 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type included  
93 in the official statement for the Bonds under the heading "Appendix B: Audited 2003  
94 Financial Statements," which statements will not be audited, except that if and when  
95 audited financial statements are otherwise prepared and available to the county they will  
96 be provided;

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

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

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

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

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

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

106 Such annual information and operating data described above shall be provided on  
107 or before seven months after the end of the county's fiscal year. The county's fiscal year  
108 currently ends on December 31. The county may adjust such fiscal year by providing

109 written notice of the change of fiscal year to each then existing NRMSIR and the SID, if  
110 any. In lieu of providing such annual financial information and operating data, the  
111 county may cross-reference to other documents provided to the NRMSIR, the SID or to  
112 the commission, and, if such document is a final official statement within the meaning of  
113 the rule, such document will be available from the Municipal Securities Rulemaking  
114 Board (the "MSRB").

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

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

- 122 (a) principal and interest payment delinquencies;
- 123 (b) non-payment related defaults;
- 124 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 125 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 126 (e) substitution of credit or liquidity providers, or their failure to perform;
- 127 (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 128 (g) modifications to rights of Bondholders;
- 129 (h) optional, contingent or unscheduled calls of any Bonds other than  
130 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act  
131 Release 34-23856;

- 132 (i) defeasances;  
133 (j) release, substitution or sale of property securing repayment of the Bonds;  
134 and  
135 (k) rating changes.

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

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

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

151 Notwithstanding any other provision of this motion, the county may amend this  
152 section E, and any provision of this section E may be waived, with an approving opinion  
153 of nationally recognized bond counsel and in accordance with the rule.

154 In the event of any amendment or waiver of a provision of this section E, the  
155 county shall describe such amendment in the next annual report, and shall include, as  
156 applicable, a narrative explanation of the reason for the amendment or waiver and its  
157 impact on the type (or in the case of a change of accounting principles, on the  
158 presentation) of financial information or operating data being presented by the county. In  
159 addition, if the amendment relates to the accounting principles to be followed in  
160 preparing financial statements, (i) notice of such change shall be given in the same  
161 manner as for a material event under subsection 3, and (ii) the annual report for the year  
162 in which the change is made should present a comparison (in narrative form and also, if  
163 feasible, in quantitative form) between the financial statements as prepared on the basis  
164 of the new accounting principles and those prepared on the basis of the former accounting  
165 principles.

166 6. Bond Owner's Remedies Under This Section. The right of any Bond owner  
167 or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a  
168 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
169 by the county to comply with the provisions of this undertaking shall not be an event of  
170 default with respect to the Bonds. For purposes of this section, "beneficial owner" means  
171 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
172 to dispose of ownership of, any Bonds, including persons holding Bonds through  
173 nominees or depositories.

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



177           G. Severability. The covenants contained in this motion shall constitute a  
178 contract between the county and the owners of each and every Bond. If any one or more  
179 of the covenants or agreements provided in this motion to be performed on the part of the  
180 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
181 such covenant or covenants, agreement or agreements, shall be null and void and shall be

**Motion 11986**

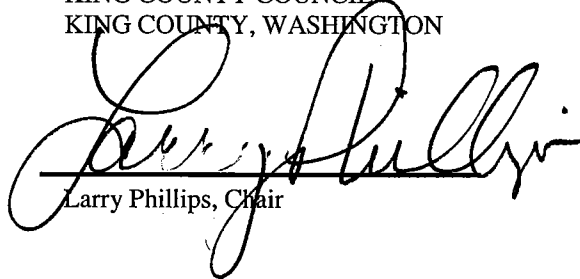
---

182 deemed separable from the remaining covenants and agreements of this motion and shall  
183 in no way affect the validity of the other provisions of this motion or of the Bonds.  
184

Motion 11986 was introduced on 4/5/2004 and passed by the Metropolitan King County Council on 8/30/2004, by the following vote:

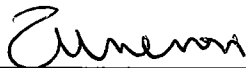
Yes: 12 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine  
No: 0  
Excused: 1 - Ms. Lambert

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



---

Anne Noris, Clerk of the Council

**Attachments** A. Exhibit A - Official Notice of Bond Sale, B. Exhibit B Winning Bid - ABN AMRO Financial Services, Inc. - New York, NY's Bid, C. Exhibit C \$57,045,000 King County, Washington Limited Tax General Obligation Refunding Bonds, 2004, Series A Maturity Dates, Principal Amounts and Interest Rates, D. Exhibit D Refunded 1996A Bonds, E. Exhibit E Government Obligations

# 11986

# ATTACHMENT A

## OFFICIAL NOTICE OF BOND SALE

\$59,250,000

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2004, SERIES A

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

9:00 A.M., PACIFIC TIME, ON AUGUST 30, 2004,

or at such later date or time as may be established by the Director of the King County Finance and Business Operations Division (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to the time bids are to be received, for the purchase of the Bonds. All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid for the Bonds, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

Bids must be submitted either:

- (i) In a sealed envelope to the Finance Director as described above; or
- (ii) Electronically via *PARITY* in accordance with its Rules of Participation and this notice, between 8:30 a.m. and 9:00 a.m., Pacific time, 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 Director at (206) 296-7345. For further information about *PARITY*, potential bidders may contact the County's financial advisors, Hattori & Associates, LLC, at (206) 524-4665, or Seattle-Northwest Securities, at (206) 628-2882, or *PARITY* at (212) 806-8304.

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

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

11986

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

If all bids for the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for the Bonds by giving notice communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Bond Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated August 23, 2004, and further information regarding the details of the Bonds may be obtained upon request to the Director of the King County Finance and Business Operations Division, Sixth Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisors, Hattori & Associates, LLC, 6837 17th Avenue Northeast, Seattle, Washington 98115 (telephone: (206) 524-4665), and Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

#### **Description of the Bonds**

The Bonds will be dated the date of their initial delivery to the purchaser thereof. The Bonds bear interest payable semiannually on each January 1 and July 1, beginning January 1, 2005, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on January 1, 2016, in whole or in part at any time on or after January 1, 2015, at the price of par plus accrued interest, if any, to the date of redemption.

The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as Bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency for the State of Washington, currently The Bank of New York in New York, New York (the "Bond Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

# 11986

## Election of Maturities

The bidder for the Bonds shall designate whether the principal amounts of the Bonds as set forth below shall be retired on January 1 of each respective year as serial bonds maturing in such year or as amortization installments of term bonds maturing in the years specified by the bidder.

<u>Serial Maturity or Amortization Installment</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts</u>
2005	\$ 780,000	2011	\$ 6,205,000
2006	465,000	2012	6,415,000
2007	3,600,000	2013	6,650,000
2008	3,985,000	2014	6,895,000
2009	4,440,000	2015	7,165,000
2010	5,195,000	2016	7,455,000

The County will retire the Bonds by payment at maturity or by redemption of term bonds on January 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

## Security

The Bonds are general obligations of King County, Washington. The County has irrevocably covenanted, for as long as any of the Bonds are outstanding and unpaid, to include in its budget each year and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people on all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

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

## Bidding Information

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

No bid will be considered for the Bonds that is less than an amount equal to 100 percent of the par value of the Bonds nor more than an amount equal to 105 percent of the par value of the Bonds, or for less than the entire offering of the Bonds. The County reserves the right to increase or decrease the total par amount of the Bonds by ten percent of the total par amount of the Bonds. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by the greater of fifteen percent (15%) of the preliminary principal amount of that maturity or \$400,000.

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 \$600,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division Manager or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County's Financial Advisors prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

If the Bonds are awarded to a bidder using a financial surety bond, then that purchaser is required to submit its deposit to the County in the form of a certified or bank cashier's or treasurer's check or wire transfer as instructed by the County not later than 3:30 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 of the Bonds will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Bonds on the delivery of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the County.

If the Bonds are ready for delivery and the successful bidder fails to complete the purchase of the Bonds within 50 days following the acceptance of its bid, the good faith deposit will be forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

## **Insurance**

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

## **Award**

The Bonds will be sold to the bidder making a bid that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid for the Bonds. For the purpose of comparing bids only, the interest rate bid being controlling, each bid shall state the true interest cost of the bid, determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payment from the payment date to the date of the Bonds and to the price bid.

If there are two or more equal bids for the Bonds 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, the Bonds may be readvertised for sale in the manner provided by law and as provided above. Any bid for the Bonds presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

## **Issue Price Information**

Upon award of the Bonds, the successful bidder shall advise the County and Bond Counsel of the initial reoffering prices to the public of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

**11986**

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

#### **Delivery**

The County will deliver the Bonds (consisting of one word-processed certificate for each maturity of the Bonds) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be September 21, 2004.

It is understood that if, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in this Preliminary Official Statement for the Bonds, the successful bidder for the Bonds, at its option, may be relieved of its obligation to purchase the Bonds, and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Gottlieb, Fisher & Andrews, PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Preliminary Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate of the County will be included in the closing papers of the Bonds.

#### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on the Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The successful purchaser of the Bonds is responsible for obtaining CUSIP numbers for the Bonds. All expenses in relation to the printing of the CUSIP numbers on the Bonds will be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser.

#### **Ongoing Disclosure Undertaking**

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.

**11986**

**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 to the purchaser of the Bonds. Additional copies will be provided at the purchaser's expense.

By submitting the successful proposal, the purchaser's designated senior representative agrees to file, or cause to be filed, within one business day following the receipt from the County, the final Official Statement with each nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

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

The County will advise the purchasers of the Bonds, 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 23rd day of August, 2004.

\_\_\_\_\_  
/s/

Clerk of the Metropolitan King County Council



# 11986

# ATTACHMENT B

**ABN AMRO Financial Services, Inc. - New York,  
NY's Bid**

**King County  
\$59,250,000 Limited Tax General Obligation  
Refunding Bonds, 2004, Series A  
(MBIA insured)**

For the aggregate principal amount of \$59,250,000.00, we will pay you \$62,145,737.38, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
01/01/2005	780M	2.0000
01/01/2006	465M	2.0000
01/01/2007	3,600M	4.0000
01/01/2008	3,985M	3.0000
01/01/2009	4,440M	4.0000
01/01/2010	5,195M	5.0000
01/01/2011	6,205M	5.0000
01/01/2012	6,415M	5.0000
01/01/2013	6,650M	5.0000
01/01/2014	6,895M	4.0000
01/01/2015	7,165M	4.0000
01/01/2016	7,455M	4.0000

Total Interest Cost: \$18,768,555.56  
Premium: \$2,895,737.38  
Net Interest Cost: \$15,872,818.18  
TIC: 3.578917

Time Last Bid Received On:08/30/2004 8:57:20 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: ABN AMRO Financial Services, Inc., New York, NY  
Contact: charles massaro  
Title: director  
Telephone:212-409-7007  
Fax: 212-409-7705

Issuer  
Name: King County

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

Accepted \_\_\_\_\_

Accepted \_\_\_\_\_

---

**11986**

By:

By:

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

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

# 11986 ATTACHMENT C

## EXHIBIT C

\$57,045,000

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2004, SERIES A

### Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1/1/2005	\$ 675,000	2.00%
1/1/2006	75,000	2.00
1/1/2007	3,210,000	4.00
1/1/2008	3,650,000	3.00
1/1/2009	4,105,000	4.00
1/1/2010	4,885,000	5.00
1/1/2011	5,965,000	5.00
1/1/2012	6,270,000	5.00
1/1/2013	6,595,000	5.00
1/1/2014	6,920,000	4.00
1/1/2015	7,205,000	4.00
1/1/2016	7,490,000	4.00

# 11986

# ATTACHMENT D

## EXHIBIT D

### Refunded 1996A Bonds

<u>Maturity</u> <u>Date</u>	<u>Par</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>
1/1/2007	\$3,125,000	5.000%	1/1/2006	100%
1/1/2008	3,590,000	5.000	1/1/2006	100
1/1/2009	4,115,000	5.000	1/1/2006	100
1/1/2010	4,940,000	5.000	1/1/2006	100
1/1/2011	6,030,000	5.125	1/1/2006	100
1/1/2012	6,340,000	5.125	1/1/2006	100
1/1/2013	6,670,000	5.250	1/1/2006	100
1/1/2014	7,020,000	5.250	1/1/2006	100
1/1/2015	7,395,000	5.250	1/1/2006	100
1/1/2016	7,785,000	5.250	1/1/2006	100

# 11986

# ATTACHMENT E

## EXHIBIT E

### Government Obligations

<u>Purchase Date</u>	<u>Type of Security</u>	<u>Type of SLGS</u>	<u>Maturity Date</u>	<u>First Int Pmt Date</u>	<u>Par Amount</u>	<u>Rate</u>
9/21/2004	SLGS	Certificate	1/1/2005	1/1/2005	1,094,605	1.410%
9/21/2004	SLGS	Certificate	7/1/2005	7/1/2005	789,414	1.950%
9/21/2004	SLGS	Note	1/1/2006	1/1/2005	57,811,345	2.310%