



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

April 4, 2005

### Motion 12098

**Proposed No.** 2004-0359.2

**Sponsors** Gossett

1           A MOTION of the county council approving a bid for the  
2           county's Limited Tax General Obligation Bonds (Payable  
3           from Sewer Revenue), 2005, in the aggregate principal  
4           amount of \$200,000,000 and establishing certain terms of  
5           such bonds, all in accordance with Ordinance 15033.

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WHEREAS, the county council by Ordinance 15033 passed on October 4, 2004  
(the "Bond Ordinance"), authorized the issuance and sale of the county's limited tax  
general obligation bonds, payable from sewer revenue, in the aggregate principal amount  
of not to exceed \$220,000,000 to finance a portion of the costs of certain capital  
improvements to the county's sewer system; and

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WHEREAS, the Bond Ordinance provided that such bonds be sold in one or more  
series and by negotiated sale or competitive bid as determined by the county's director of  
finance and business operations (the "Finance Director") in consultation with the county's  
financial advisors; and

17 WHEREAS, the Finance Director has determined that a portion of such  
18 authorized bonds be sold by competitive bid in a series of bonds to be designated as the  
19 county's Limited Tax General Obligation Bonds (Payable from Sewer Revenue), 2005, in  
20 the aggregate principal amount of \$200,000,000 (the "Bonds"); and

21 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
22 dated March 28, 2005, has been prepared for the sale of the Bonds, the Official Notice of  
23 Bond Sale (the "Notice") has been published, and bids have been received in accordance  
24 with the Notice; and

25 WHEREAS, the attached bid of Lehman Brothers (the "Purchaser") to purchase  
26 the Bonds is the best bid received for the Bonds, and it is in the best interest of the county  
27 that the Bonds be sold to the Purchaser on the terms set forth in the Notice, the attached  
28 bid, the Bond Ordinance, and this motion; and

29 WHEREAS, in accordance with the Bond Ordinance, the council wishes to ratify  
30 and confirm certain terms of the Bonds, as set forth herein;

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

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

34 B. Ratification of Notice of Sale, Acceptance of Bid, and Authorization of  
35 Bonds. The issuance of the Bonds, designated as set forth in the recitals of this motion,  
36 and the terms and conditions thereof as set forth in the Official Notice of Bond Sale,  
37 attached hereto as Attachment A to this motion (the "Notice"), are hereby ratified and  
38 confirmed, and Purchaser's bid to purchase the Bonds, as set forth on Attachment B to  
39 this motion (the "Bid"), is hereby accepted. The Bonds shall bear interest at the rates set

40 forth in the Bid and shall conform in all other respects to the terms and conditions  
41 specified in the Notice, Bid and Bond Ordinance. The Bonds shall be subject to optional  
42 and mandatory redemption as set forth in the Notice and Bid.

43 C. Undertaking to Provide Ongoing Disclosure.

44 1. Contract/Undertaking. In accordance with Section 25 of the Bond Ordinance,  
45 this Section C constitutes the county's written undertaking for the benefit of the owners  
46 and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

47 2. Financial Statements/Operating Data. The county agrees to provide or cause  
48 to be provided to each NRMSIR and to the SID, if any, in each case as designated by the  
49 Commission in accordance with the Rule, the following annual financial information and  
50 operating data for the prior fiscal year (commencing in 2005 for the fiscal year ended  
51 December 31, 2004):

52 (a) Annual financial statements prepared in accordance with the Budget  
53 Accounting and Reporting System prescribed by the Washington State Auditor pursuant  
54 to RCW 43.09.200 (or any successor statute) and generally of the type included in the  
55 official statement for the Bonds under the heading "Appendix C, Excerpts from the 2003  
56 Comprehensive Annual Financial Report";

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

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

59 (d) A summary of the ad valorem property tax levy rates per \$1,000 of  
60 assessed value and delinquency rates;

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

63 (f) A summary of outstanding tax-supported indebtedness of the county; and  
64 (g) Information regarding customers, revenues and expenses of the System  
65 generally in the form set forth in the Official Statement for the Bonds in the table titled  
66 "Historical Sewer System Customers, Revenues and Expenses."

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

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

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

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

85 (a) Principal and interest payment delinquencies;

- 86 (b) Non-payment related defaults;
- 87 (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 88 (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 89 (e) Substitution of credit or liquidity providers, or their failure to perform;
- 90 (f) Adverse tax opinions or events affecting the tax-exempt status of the
- 91 Bonds;
- 92 (g) Modifications to rights of Bondholders;
- 93 (h) Optional, contingent or unscheduled calls of any Bonds other than
- 94 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act
- 95 Release 34-23856;
- 96 (i) Defeasances;
- 97 (j) Release, substitution or sale of property securing repayment of the Bonds;
- 98 and
- 99 (k) Rating changes.

100 Solely for purposes of disclosure, and not intending to modify this undertaking,  
101 the county advises with reference to items (c) and (j) above that no debt service reserves  
102 or property secure payment of the Bonds.

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

107 5. Centralized Filing. Any filing required to be made with any NRMSIR or SID  
108 pursuant to the county's undertaking may be made by transmitting such filing solely to (i)

109 the Texas Municipal Advisory Council (the "MAC") as provided in  
110 <http://www.disclosureusa.org> unless the SEC has withdrawn the interpretive advice in its  
111 letter to the MAC dated September 7, 2004, or (ii) any other entity for whom the SEC has  
112 provided interpretive advice recognizing that a filing solely with such entity shall satisfy  
113 an issuer's filing requirements under the Rule.

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

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

125 In the event of any amendment or waiver of a provision of this Section C, the  
126 county shall describe such amendment in the next annual report, and shall include, as  
127 applicable, a narrative explanation of the reason for the amendment or waiver and its  
128 impact on the type (or in the case of a change of accounting principles, on the  
129 presentation) of financial information or operating data being presented by the county. In  
130 addition, if the amendment relates to the accounting principles to be followed in  
131 preparing financial statements, (i) notice of such change shall be given in the same

132 manner as for a material event under subsection 3, and (ii) the annual report for the year  
133 in which the change is made should present a comparison (in narrative form and also, if  
134 feasible, in quantitative form) between the financial statements as prepared on the basis  
135 of the new accounting principles and those prepared on the basis of the former accounting  
136 principles.

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

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

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

**Motion 12098**

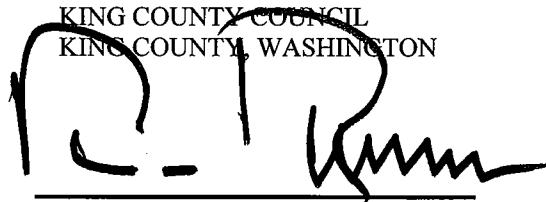
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151 and shall be deemed separable from the remaining provisions of this motion and shall in  
152 no way affect the validity of the other provisions of this motion or of the Bonds.  
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Motion 12098 was introduced on 7/19/2004 and passed by the Metropolitan King County Council on 4/4/2005, by the following vote:

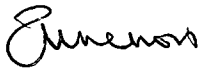
Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. Dunn, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

**Attachments**      A. Official Notice of Bond Sale, B. Winning Bid - Lehman Brothers - New York, NY's Bid



## OFFICIAL NOTICE OF BOND SALE

\$200,000,000\*

KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS  
(PAYABLE FROM SEWER REVENUES), 2005

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 APRIL 4, 2005,

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 Corporation, 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

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\* Preliminary, subject to change.

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 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 March 28, 2005, 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 July 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 in New York, New York, currently The Bank of New York (the "Bond Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

## Election of Maturities

The bidder 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.

Serial Maturity or Amortization Installments (January 1)	Principal Amounts*	Serial Maturity or Amortization Installments (January 1)	Principal Amounts*
2017	\$ 6,470,000	2027	\$ 10,660,000
2018	6,800,000	2028	11,210,000
2019	7,150,000	2029	11,780,000
2020	7,515,000	2030	12,385,000
2021	7,900,000	2031	13,020,000
2022	8,305,000	2032	13,690,000
2023	8,730,000	2033	14,390,000
2024	9,175,000	2034	15,125,000
2025	9,650,000	2035	15,905,000
2026	10,140,000		

\* Preliminary, subject to change.

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 Bonds are secured additionally by a pledge of revenues of the Sewer System of the County. The lien of the pledge is subject to the Operating and Maintenance Expenses of the Sewer System, subordinate to the lien securing the Parity Bonds, equal to the lien securing all Parity Lien Obligations, and superior to all other liens and charges on such revenue.

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. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity. 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 up to fifteen percent (15%) of the preliminary principal amount of that maturity.

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 \$2,000,000. The good faith deposit shall be in the form of a certified or bank cashier's check made payable to the order of the King County Director of the Finance and Business Operations Division or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to 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 bid 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.

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## Issue Price Information

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

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

## Delivery

The County will deliver the Bonds (consisting of 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 April 21, 2005.

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 Preston Gates & Ellis, LLP, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of 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 the Preliminary Official Statement and will also be set forth in the final Official Statement.

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**Official Statement**

The 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 bid, 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 bid 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 28th day of March, 2005.

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

Clerk of the Metropolitan King County Council

# 12098

## ATTACHMENT B

**Lehman Brothers - New York, NY's Bid**  
**King County**  
**\$200,000,000 Limited Tax General Obligation**  
**Bonds (Payable from Sewer Revenues), 2005**

For the aggregate principal amount of \$200,000,000.00, we will pay you \$205,996,789.15, 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 %
01/01/2017	6,470M	5.0000
01/01/2018	6,800M	5.0000
01/01/2019	7,150M	5.0000
01/01/2020	7,515M	5.0000
01/01/2021	7,900M	5.0000
01/01/2022	8,305M	5.0000
01/01/2023	8,730M	5.0000
01/01/2024	9,175M	5.0000
01/01/2025	9,650M	5.0000
01/01/2026	10,140M	5.0000
01/01/2027	10,660M	5.0000
01/01/2028	11,210M	5.0000
01/01/2029	11,780M	5.0000
01/01/2030	12,385M	5.0000
01/01/2031	13,020M	4.5000
01/01/2032		
01/01/2033		
01/01/2034		
01/01/2035	59,110M	5.0000

Total Interest Cost: \$220,041,486.11  
Premium: \$5,996,789.15  
Net Interest Cost: \$214,044,696.96  
TIC: 4.740601

Time Last Bid Received On: 04/04/2005 8:59:13 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: Steve Milano  
Title: Managing Director  
Telephone: 212-528-1061  
Fax: 646-758-2068

12098

Issuer  
Name: King County

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

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

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

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

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