

March 28, 1990

INTRODUCED BY: LOIS NORTH

PROPOSED NO. 90-309

9404

ORDINANCE NO. _____

1
2
3 AN ORDINANCE providing for the sale and
4 issuance of unlimited tax general
5 obligation bonds in an amount not to
6 exceed the principal amount of
7 \$117,640,000, as authorized by Ordinance
8 No. 9071 and as approved by the
9 qualified electors of King county at a
10 special election held therein on
11 November 7, 1989, for the purpose of
12 providing the funds for the carrying out
13 of public green space, green belt, open
14 space, parks and trail projects;
15 providing for the date, form, terms,
16 maturities and covenants of the bonds;
17 providing for the disposition of the
18 proceeds of the sale of the bonds;
19 providing for the public sale of the
20 bonds; and providing for the annual levy
21 of taxes to pay the principal thereof
22 and the interest thereon.

13 **PREAMBLE:**

14 Pursuant to Ordinance No. 9071, King County
15 authorized the issuance of an amount not to exceed
16 \$117,640,000 in aggregate principal amount of
17 unlimited tax general obligation bonds for the
18 purpose of providing funds for the carrying out of
19 public green space, green belt, open space, parks
20 and trail projects in King County, The City of
21 Seattle and certain suburban jurisdictions.

22 At a special election held in conjunction with the
23 general election on November 7, 1989, the number
24 and proportion of the qualified electors of King
25 County required by law for the adoption thereof
26 voted in favor of the issuance of the bonds as
27 authorized by Ordinance No. 9071.

28 It now appears necessary and advisable that those
29 authorized bonds be sold and issued to provide
30 funds for the carrying out of the capital purposes
31 described in Ordinance No. 9071 and approved by the
32 qualified electors of King County on November 7,
33 1989.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

1 SECTION 1. Definitions. Unless the context otherwise
2 requires, the terms defined in this section, for all
3 purposes of this ordinance and of any ordinance supplemental
4 hereto, shall have the meanings herein specified; words
5 importing the singular number include the plural number and
6 vice versa:

7 A. "Bonds" means the \$117,640,000 principal amount
8 King County, Washington, Unlimited Tax General Obligation
9 Bonds, 1990, Series A (Open Space), the sale and issuance of
10 which are authorized by this ordinance.

11 B. "Bond Redemption Fund" means the King County
12 Unlimited Tax General Obligation Bond Redemption Fund.

13 C. "Bond Proceeds" means the principal proceeds
14 received from the sale of the Bonds and any earnings from
15 the investment thereof thereafter, but shall not mean
16 accrued interest on the Bonds paid by the original purchaser
17 of the Bonds.

18 D. "Bond Register" means the registration books on
19 which are maintained the names and addresses of the Owners
20 of the Bonds.

21 E. "Chief Financial Officer" means the person serving
22 as the chief financial officer of the Office of Financial
23 Management of King County or the county officer who succeeds
24 to the duties now delegated to that office.

25 F. "County Finance Manager" means the manager of the
26 finance division of the King County Office of Financial
27 Management or any other county officer who succeeds to the
28 duties now delegated for that office.

29 G. "DTC" means the Depository Trust Company, New
30 York, New York.

1 H. "Governmental Agency" or "Agency" means the
2 county, Seattle and any Suburban Jurisdiction or other
3 government entity within the county.

4 I. "Interlocal Contract" means the contract provided
5 for in Section 6 of Ordinance No. 9071 entered into or to be
6 entered into between the county and each other Governmental
7 Agency.

8 J. "Internal Revenue Code" means the Internal Revenue
9 Code of 1986, as heretofore or hereafter amended, together
10 with all applicable rulings and regulations heretofore or
11 hereafter promulgated thereunder.

12 K. "Letter of Representation" shall mean that letter
13 substantially in the form of Exhibit A, attached hereto and
14 incorporated herein by this reference.

15 L. "Owner" means the person named as the registered
16 owner of a Bond as shown on the Bond Register.

17 M. "Project" means the acquisition and, if
18 applicable, construction, development and improvement of any
19 parcel or parcels of public green space, green belt, open
20 space, park, trail or facility to which any Bond Proceeds
21 are allocated under Ordinance No. 9071.

22 N. "Projects Fund" means the Open Space Projects
23 Acquisition and Improvement Fund of the County, into which
24 the principal proceeds of the sale of the Bonds shall be
25 deposited and from which Bond Proceeds shall be expended.

26 O. "RCW" means the Revised Code of Washington, as
27 amended.

28 P. "Registrar" means either or both of the fiscal
29 agencies of the State of Washington in Seattle, Washington,
30 and New York, New York, which fiscal agencies are appointed
31 from time to time by the State Finance Committee pursuant to
32 Chapter 43.80 RCW.
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1 Q. "Seattle" means The City of Seattle, Washington.

2 R. "Suburban Jurisdiction" means the cities
3 identified in Exhibit C of Ordinance No. 9071.

4 SECTION 2. Purpose, Authorization and Description of
5 Bonds; Use of Depository.

6 A. Purpose and Authorization. The Bonds shall be
7 issued for capital purposes only, other than the replacement
8 of equipment, namely for the purpose of providing funds to
9 carry out the Projects consistent with Ordinance No. 9071
10 and this ordinance, paying interest on any interim financing
11 of the Projects pending the receipt of the Bond Proceeds and
12 paying certain costs and expenses incurred in issuing the
13 Bonds.

14 B. Description. The Bonds shall be designated
15 "Unlimited Tax General Obligation Bonds, 1990, Series A,
16 (Open Space)," shall be in the aggregate principal amount of
17 \$117,640,000; shall be dated April 15, 1990; shall be issued
18 in fully registered form as to both principal and interest;
19 shall be in the denomination of \$5,000 each or any integral
20 multiple thereof within a single maturity; shall be numbered
21 separately in such manner and with any additional
22 designation as the Registrar deems necessary for purposes of
23 identification; and shall mature on December 1 in each of
24 the years, in the principal amounts, as follows:

<u>Maturity Years</u>	<u>Principal Amounts</u>
1992	\$3,615,000
1993	3,830,000
1994	4,065,000
1995	4,320,000
1996	4,590,000

	<u>Maturity Years</u>	<u>Principal Amounts</u>
1		
2	1997	\$4,885,000
3	1998	5,205,000
4	1999	5,545,000
5	2000	5,920,000
6	2001	6,320,000
7	2002	6,745,000
8	2003	7,215,000
9	2004	7,720,000
10	2005	8,265,000
11	2006	8,850,000
12	2007	9,480,000
13	2008	10,165,000
14	2009	10,905,000

15 The Bonds shall bear interest (computed on the basis of
16 a 360-day year of twelve 30-day months) from their date or
17 from the most recent interest payment date to which interest
18 has been paid or duly provided for, whichever is later,
19 payable on June 1, 1991 and semiannually on each December 1
20 and June 1 thereafter to the maturity or earlier redemption
21 thereof, at the rate or rates bid by the successful bidder
22 at public sale and accepted by motion of the King County
23 council.

24 If any Bond shall have been duly presented for payment
25 and not paid on such applicable date, then interest shall
26 continue to accrue thereafter at the rate stated on such
27 Bond until it is paid.

28 The Bonds shall be negotiable instruments to the extent
29 provided by RCW 62A.8-105.

30 C. Initial Immobilization of Bonds; Depository
31 Provisions. The Bonds initially shall be held in fully
32 immobilized form by DTC acting as depository pursuant to the
33 terms and conditions set forth in the Letter of
Representation. To induce DTC to accept the Bonds as
eligible for deposit at DTC, the County Finance Manager is
authorized to execute the Letter of Representation with such
changes as hereafter may be approved by him, and such

1 approval shall be conclusively presumed by the County
2 Finance Manager's execution thereof. Neither the county nor
3 the Bond Registrar shall have any responsibility or
4 obligation to DTC participants or the persons for whom they
5 act as nominees with respect to the Bonds regarding accuracy
6 of any records maintained by DTC or DTC participants of any
7 amount in respect of principal or redemption price of or
8 interest on the Bonds, or any notice which is permitted or
9 required to be given to Registered Owners under this
10 ordinance (except such notice as is required to be given by
11 the county to the Bond Registrar or to DTC).

12 The Bonds initially shall be issued in denominations
13 equal to the aggregate principal amount of each maturity and
14 initially shall be registered in the name of CEDE & CO., as
15 the nominee of DTC. The Bonds so registered shall be held
16 in fully immobilized form by DTC as depository. For so long
17 as any Bonds are held in fully immobilized form, DTC or its
18 successor depository shall be deemed to be the Registered
19 Owner for all purposes hereunder and all references to
20 Registered Owners, bondowners, bondholders or the like shall
21 mean DTC or its nominees and shall not mean the owners of
22 any beneficial interests in the Bonds. Registered ownership
23 of such Bonds, or any portions thereof, may not thereafter
24 be transferred except: (i) to any successor of DTC or its
25 nominee, if that successor shall be qualified under any
26 applicable laws to provide the services proposed to be
27 provided by it; (ii) to any substitute depository appointed
28 by the county pursuant to this subsection or such substitute
29 depository's successor; or (iii) to any person as provided
30 if the Bonds are no longer held in immobilized form.

31 Upon the resignation of DTC or its successor (or any
32 substitute depository or its successor) from its functions
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1 as depository, or a determination by the county that it is
2 no longer in the best interests of beneficial owners of the
3 Bonds to continue the system of book entry transfers through
4 DTC or its successor (or any substitute depository or its
5 successor), the county may appoint a substitute depository.
6 Any such substitute depository shall be qualified under any
7 applicable laws to provide the services proposed to be
8 provided by it.

9 In the case of any transfer pursuant to clause (i) or
10 (ii) of the first paragraph of this subsection, the Bond
11 Registrar, upon receipt of all outstanding Bonds together
12 with a written request on behalf of the county, shall issue
13 a single new Bond for each maturity of Bonds then
14 outstanding, registered in the name of such successor or
15 such substitute depository, or their nominees, as the case
16 may be, all as specified in such written request of the
17 county.

18 In the event that (a) DTC or its successor (or
19 substitute depository or its successor) resigns from its
20 functions as depository, and no substitute depository can be
21 obtained, or (b) the county determines that it is in the
22 best interests of the beneficial owners of the Bonds that
23 they be able to obtain Bond certificates, the ownership of
24 Bonds may be transferred to any person as herein provided,
25 and the Bonds shall no longer be held in fully immobilized
26 form. The county shall deliver a written request to the
27 Bond Registrar, together with a supply of definitive Bonds,
28 to issue Bonds as herein provided in any authorized
29 denomination. Upon receipt of all then outstanding Bonds by
30 the Bond Registrar, together with a written request on
31 behalf of the county to the Bond Registrar, new Bonds shall
32 be issued in such denominations and registered in the names
33 of such persons as are requested in such a written request.

1 SECTION 3. Place, Manner and Medium of Payment. Both
2 principal of and interest on the Bonds shall be payable in
3 lawful money of the United States of America. For so long
4 as outstanding Bonds are registered in the name of CEDE &
5 CO., or its registered assigns, as nominee of DTC, payments
6 of principal of and premium, if any, and interest on the
7 Bonds shall be made in next day funds on the date such
8 payment is due and payable at the place and in the manner
9 provided in the Letter of Representations.

10 When the Bonds are no longer immobilized by DTC,
11 interest on the Bonds shall be paid by checks or drafts
12 mailed, or by wire transfer, to Owners of Bonds at the
13 addresses for such Owners appearing on the Bond Register on
14 the 15th day of the calendar month preceding the interest
15 payment date. Wire transfer will be made only if so
16 requested in writing and if the Owner owns at least
17 \$1,000,000 par value of the Bonds. Principal of the Bonds
18 shall be payable at maturity or on such date as may be fixed
19 for prior redemption upon presentation and surrender of the
20 Bonds by the Owners at either principal office of the
21 Registrar in Seattle, Washington, or New York, New York, at
22 the option of such Owners.

23 SECTION 4. Redemption; Notice; Open Market Purchase;
24 Cancellation.

25 A. Optional Redemption. Bonds maturing in the years
26 1991 to 2000, inclusive, shall not be subject to redemption
27 prior to their maturity dates. The county reserves the
28 right to redeem the Bonds maturing on or after December 1,
29 2001, beginning on December 1, 2000, as a whole at any time,
30 or in part on any interest payment date, with the maturities
31 to be redeemed to be selected by the county (and by lot
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1 within a maturity in such manner as the Registrar shall
2 determine), at par plus accrued interest to the date fixed
3 for redemption.

4 B. Partial Redemption. Any Bond in the principal
5 amount of greater than \$5,000 may be partially redeemed in
6 any integral multiple of \$5,000. In such event, upon
7 surrender of such Bond at either of the principal offices of
8 the Registrar, a new Bond or Bonds (at the option of the
9 Owner) of the same date, maturity and interest rate and in
10 the aggregate principal amount remaining unredeemed, in any
11 denomination authorized by this ordinance, shall be
12 authenticated and delivered to the Owner, without charge to
13 the Owner therefor.

14 C. Notice and Effect of Redemption. Notice of any
15 such intended redemption shall be given not less than 30 nor
16 more than 60 days prior to the date fixed for redemption by
17 certified or registered mail, postage prepaid, to the Owner
18 of each Bond to be redeemed at the address appearing on the
19 Bond Register on the day notice is mailed. The requirements
20 of this section shall be deemed to be complied with when
21 notice is mailed as herein provided, whether or not it is
22 actually received by the Owner. In addition, such
23 redemption notice shall be mailed within the same period,
24 postage prepaid, to Moody's Investors Service, Inc. and
25 Standard & Poor's Corporation at their offices in New York,
26 New York, or their successors, and to such other persons and
27 with such additional information as the County Finance
28 Manager shall deem appropriate, but such mailings shall not
29 be a condition precedent to the redemption of such Bonds.

30 If such notice shall have been given and the county
31 shall have set aside, on the date fixed for redemption,
32 sufficient money for the payment of all Bonds called for
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1 redemption, the Bonds so called shall cease to accrue
2 interest after such redemption date, and all such Bonds
3 shall be deemed not to be outstanding hereunder for any
4 purposes, except that the Owners thereof shall be entitled
5 to receive payment of the redemption price and accrued
6 interest to the redemption date from the money set aside for
7 such purpose.

8 D. Open Market Purchase. The county reserves the
9 right to purchase any or all of the Bonds on the open market
10 at any time and at any price.

11 E. Cancellation of Bonds. All Bonds purchased or
12 redeemed under this section shall be canceled.

13 SECTION 5. Debt Limit Not Exceeded. The county finds
14 and covenants that the Bonds are issued within all statutory
15 and constitutional debt limitations applicable to the county.

16 SECTION 6. Pledge of Full Faith, Credit and
17 Resources. The Bonds are general obligations of the
18 county. Unless the principal of and interest on the Bonds
19 are paid from other sources, so long as the Bonds are
20 outstanding, the county irrevocably covenants to include in
21 its budgets and to make annual levies of taxes without
22 limitation as to rate or amount upon all property in the
23 county subject to taxation in amounts which, together with
24 any other money legally available therefor, shall be
25 sufficient to pay such principal and interest as the same
26 shall become due. The county irrevocably pledges its full
27 faith, credit and resources to the annual levy and
28 collection of such taxes and for the prompt payment of such
29 principal and interest. All of such taxes shall be paid
30 into the Bond Redemption Fund.

31 SECTION 7. Form of Bonds. The Bonds shall be printed,
32 lithographed or typed on good bond paper substantially in
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1 the form of Exhibit B attached hereto and incorporated
2 herein by this reference.

3 SECTION 8. Execution of Bonds. The Bonds shall be
4 signed on behalf of the county with the facsimile or manual
5 signature of the county executive, shall be attested by the
6 facsimile or manual signature of the clerk of the county
7 council and shall have the corporate seal of the county
8 impressed or a facsimile thereof imprinted thereon.

9 In case either or both of the officers who shall have
10 executed any of the Bonds shall cease to be such officer or
11 officers of the county before the Bond so signed shall have
12 been authenticated or delivered by the Registrar, or issued
13 by the county, such Bond may nevertheless be authenticated,
14 delivered and issued and upon such authentication, delivery
15 and issuance, shall be as binding on the county as though
16 that person who signed the same had continued to be that
17 officer of the county. The Bonds or any substitute Bond may
18 also be signed and attested on behalf of the county by such
19 persons as at the actual date of execution of such Bond
20 shall be the proper officers of the county although at the
21 original date of such Bond any such person shall not have
22 been such officer of the county.

23 SECTION 9. Authentication and Delivery of Bonds. The
24 Registrar is authorized and directed, on behalf of the
25 county, to authenticate and deliver Bonds initially issued
26 or transferred or exchanged in accordance with the
27 provisions of such Bonds and this ordinance.

28 Only such Bonds as shall bear thereon a "Certificate of
29 Authentication" manually executed by an authorized
30 representative of the Registrar shall be valid or obligatory
31 for any purpose or entitled to the benefits of this
32 ordinance. Such Certificate of Authentication shall be
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1 conclusive evidence that the Bonds so authenticated have
2 been duly executed, authenticated and delivered hereunder
3 and are entitled to the benefits of this ordinance.

4 The Registrar shall be responsible for its
5 representations contained in the Certificate of
6 Authentication on the Bonds.

7 SECTION 10. Registration.

8 A. Bond Register. The Registrar shall keep, or cause
9 to be kept, the Bond Register at its principal corporate
10 trust offices.

11 B. Registered Ownership. The county and the
12 Registrar shall treat the Owner of each Bond as the absolute
13 owner thereof for all purposes, and neither the county nor
14 the Registrar shall be affected by any notice to the
15 contrary. Payment of any such Bond shall be made only as
16 described in Section 3 hereof, but such registration may be
17 transferred as herein provided. All such payments made as
18 provided in Section 3 hereof shall be valid and shall
19 satisfy and discharge the liability of the county on such
20 Bond to the extent of the amount or amounts so paid.

21 C. Transfer or Exchange of Registered Ownership. The
22 registered ownership of any Bond may be transferred or
23 exchanged, but no transfer of any Bond shall be valid unless
24 it is surrendered to the Registrar, with the assignment form
25 appearing on such Bond duly executed by the Owner or such
26 Owner's duly authorized agent, in a manner satisfactory to
27 the Registrar. Upon such surrender, the Registrar shall
28 cancel the surrendered Bond and shall authenticate and
29 deliver, without charge to the Owner or transferee therefor
30 (other than taxes, if any, payable on account of such
31 transfer), a new Bond or Bonds (at the option of the new
32 Owner), of the same date, maturity and interest rate and for
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1 the same aggregate principal amount, in any authorized
2 denomination, naming as Owner the person or persons listed
3 as the assignee on the assignment form appearing on the
4 surrendered Bond, in exchange for such surrendered and
5 canceled Bond. Any Bond may be surrendered to the Registrar
6 and exchanged, without charge, for an equal aggregate
7 principal amount of Bonds of the same date, maturity and
8 interest rate, in any authorized denomination. The
9 Registrar shall not be obligated to transfer or exchange any
10 Bond during the 15 days preceding any interest payment,
11 principal payment or redemption date.

12 D. Registrar's Ownership of Bonds. The Registrar may
13 become the Owner of any Bond with the same rights it would
14 have if it were not the Bond Registrar and, to the extent
15 permitted by law, may act as depository for and permit any
16 of its officers or directors to act as a member of, or in
17 any other capacity with respect to, any committee formed to
18 protect the rights of the Owners of the Bonds.

19 E. Registration Covenant. The county covenants that,
20 until all Bonds shall have been surrendered and canceled, it
21 will maintain a system of recording the ownership of each
22 Bond that complies with the applicable provisions of the
23 Internal Revenue Code.

24 SECTION 11. Mutilated, Lost, Stolen or Destroyed
25 Bonds. If any Bond becomes mutilated, lost, stolen or
26 destroyed, the Registrar may authenticate and deliver a new
27 Bond of the same date, maturity and interest rate and of
28 like tenor and effect in substitution therefor, all in
29 accordance with law. If such mutilated, lost, stolen or
30 destroyed Bond has matured, the county, at its option, may
31 pay the same without the surrender thereof. However, no
32 such substitution or payment shall be made unless and until
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1 the applicant shall furnish evidence satisfactory to the
2 Registrar of the destruction or loss of the original Bond
3 and of the ownership thereof, and such additional security,
4 indemnity or evidence as may be required by or on behalf of
5 the county. No substitute Bond shall be furnished unless
6 the applicant shall reimburse the county and the Bond
7 Registrar for their respective expenses in the furnishing
8 thereof. Any such substitute Bond so furnished shall be
9 equally and proportionately entitled to the security of this
10 ordinance with all other Bonds issued hereunder.

11 SECTION 12. Advance Refunding or Defeasance of the
12 Bonds. The county may issue advance refunding bonds
13 pursuant to the laws of the State of Washington or use money
14 available from any other lawful source to pay when due the
15 principal of and interest on the Bonds, or any portion
16 thereof included in a refunding or defeasance plan, and to
17 redeem and retire, refund or defease all such
18 then-outstanding Bonds (hereinafter collectively called the
19 "defeased Bonds") and to pay the costs of the refunding or
20 defeasance. If money and/or "government obligations" (as
21 defined in Chapter 39.53 RCW, as now or hereafter amended)
22 maturing at a time or times and bearing interest in amounts
23 (together with money, if necessary) sufficient to redeem and
24 retire, refund or defease the defeased Bonds in accordance
25 with their terms are set aside in a special trust fund
26 irrevocably pledged to that redemption and retirement of
27 defeased Bonds (hereinafter called the "trust account"),
28 then all right and interest of the owners of the defeased
29 Bonds in the covenants of this ordinance and in the funds
30 and accounts obligated to the payment of the defeased Bonds
31 shall cease and become void. The owners of defeased Bonds
32 shall have the right to receive payment of the principal of
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1 and interest on the defeased Bonds from the trust account.
2 The defeased Bonds shall be deemed no longer outstanding,
3 and the county may apply any money in any other fund or
4 account established for the payment or redemption of the
5 defeased Bonds to any lawful purposes as it shall determine.

6 SECTION 13. Sale of Bonds. The Bonds shall be sold at
7 public sale substantially in accordance with the terms and
8 conditions of the Notice of Bond Sale attached hereto as
9 Exhibit C. Bids must be on an all or none basis. The clerk
10 of the county council is directed to cause an abridged
11 Notice of Bond Sale to be published at least once in a
12 financial newspaper or journal of general circulation
13 throughout the United States and to provide such other
14 notice as he may deem advisable.

15 SECTION 14. Approval of Official Statement. The
16 county executive or the Chief Financial Officer is
17 authorized and directed to review and approve on behalf of
18 the county an official statement with respect to the Bonds
19 to be prepared prior to such sale.

20 SECTION 15. Delivery of Bonds; Temporary Bonds. The
21 proper county officials are authorized and directed to do
22 everything necessary for the prompt delivery of the Bonds to
23 the Purchaser and for the proper application and use of the
24 proceeds of the sale thereof.

25 If definitive Bonds are not ready for delivery by the
26 date established for closing, then the County Finance
27 Manager, upon the approval of the purchasers, may cause to
28 be issued and delivered to the purchasers one or more
29 temporary Bonds with appropriate omissions, changes and
30 additions. Any temporary Bond or Bonds shall be entitled
31 and subject to the same benefits and provisions of this
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1 ordinance with respect to the payment, security and
2 obligation thereof as definitive Bonds authorized thereby.
3 Such temporary Bond or Bonds shall be exchangeable without
4 cost to the Owners thereof for definitive Bonds when the
5 latter are ready for delivery.

6 SECTION 16. Application of Bond Proceeds.

7 A. Project Fund; Bond Redemption Fund; Deposit and
8 Application of Principal Proceeds. The principal proceeds
9 received upon the sale of the Bonds shall be applied as
10 follows:

11 1. The Project Fund is created in the office of
12 financial management - finance division. The County Finance
13 Manager may create separate accounts in the Projects Fund
14 for the purpose of administering the expenditure, investment
15 and rebating of Bond Proceeds. Principal proceeds from the
16 sale of the Bonds shall be deposited into the Projects Fund
17 and shall be used to pay the costs of carrying out the
18 Projects, repaying interim financing for the Projects and
19 paying the cost and expense of issuing the Bonds.

20 2. The county has also created the Bond Redemption
21 Fund as a special fund which shall be drawn upon for the
22 purpose of paying the principal of and interest on the Bonds
23 and other unlimited tax general obligation bonds of the
24 county. The interest and premium, if any, received from the
25 sale of the Bonds shall be deposited into that fund. Money
26 in the Projects Fund may be temporarily advanced to the Bond
27 Redemption Fund to pay interest on the Bonds pending receipt
28 of taxes levied therefor.

29 B. Deposit and Application of the Investment
30 Proceeds. Except as provided by the Internal Revenue Code
31 and Section 17 of this ordinance, the earnings derived from
32 the investment of Bond Proceeds in the Projects Fund shall
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1 be deposited into the Projects Fund and applied to the
2 payment of the costs of the Projects.

3 C. Unanticipated Bond Proceeds. Unanticipated Bond
4 Proceeds resulting from unanticipated investment earnings,
5 Project completion at less than estimated cost, abandonment
6 of all or a part of a Project or other cause, shall be
7 reallocated in accordance with Ordinance No. 9071 or
8 deposited into the Bond Redemption Fund.

9 D. Application of Money upon Project Completion.
10 Except as provided by the Internal Revenue Code and Section
11 17 of this ordinance, if any money allocated to a Project
12 remains in the Projects Fund after payment of all costs of
13 that Project or after termination of that Project, such
14 money shall be applied as provided in subsection C of this
15 section.

16 E. Investment of Money in Construction Fund. Pending
17 application as described in this Section 16 and subject to
18 the requirements of the Internal Revenue Code and Section 17
19 of this ordinance, money in the Projects Fund may be
20 deposited temporarily in such institutions or invested in
21 such investments as may be lawful for the investment of
22 county funds.

23 SECTION 17. Tax Exemption Covenants.

24 A. The county covenants that it will not take or
25 permit to be taken on its behalf any action that would
26 adversely affect the exclusion of the interest on the Bonds
27 from the gross income of the recipients thereof for purposes
28 of federal income taxation, and will take or require to be
29 taken such acts as may be permitted by Washington law and as
30 may from time to time be required under applicable law to
31 continue the exclusion of the interest on the Bonds from the
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1 gross income of the recipients thereof for purposes of
2 federal income taxation. Without limiting the generality of
3 the foregoing, the county will not invest or make or permit
4 any use of the proceeds of the Bonds or of its other money
5 at any time during the term of the Bonds which will cause
6 such Bonds to be "arbitrage bonds" within the meaning of
7 Section 148 of the Internal Revenue Code.

8 B. The county further covenants that, if all the
9 proceeds of the Bonds have not been spent within the time
10 periods required by the Internal Revenue Code, the county
11 shall calculate or cause to be calculated and shall rebate
12 to the United States all earnings from the investment of
13 Bond proceeds that are in excess of the amount that would
14 have been earned had the yield on such investments been
15 equal to the yield on the Bonds, plus income derived from
16 such excess earnings, to the extent required and in the
17 manner permitted by Section 148 of the Internal Revenue Code.

18 C. The county has not been notified of any listing or
19 proposed listing by the Internal Revenue Service to the
20 effect that the county is a bond issuer the arbitrage
21 certifications of which may not be relied upon.

22 SECTION 18. Preliminary Official Statement

23 Declaration. The county has been provided with copies of a
24 preliminary official statement dated March 30, 1990 (the
25 "Preliminary Official Statement"), prepared in connection
26 with the sale of the Bonds. For the sole purpose of the
27 Bond purchaser's compliance with Securities and Exchange
28 Commission Rule 15c2-12(b)(1), the county "deems final" that
29 Preliminary Official Statement as of its date, except for
30 the omission of information on offering prices, interest
31 rates, selling compensation, delivery dates, any other terms
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33

1 or provisions required by the county to be specified in a
2 competitive bid, ratings, other terms of the Bonds dependent
3 on such matters and the identity of the Bond purchaser.

4 SECTION 19. Contract; Severability. The covenants
5 contained in this ordinance shall constitute a contract
6 between the county and the Owners of each and every Bond.
7 If any one or more of the provisions of this ordinance shall
8 be declared unconstitutional or invalid for any reason, such
9 decision shall not affect the validity of the remaining
10 provisions of this ordinance or the Bonds, and this
11 ordinance and the Bonds shall be construed and enforced as
12 if such unconstitutional or invalid provision had not been
13 contained herein.

14 INTRODUCED AND READ for the first time this 26th
15 day of March, 1990.

16 PASSED this 2nd day of April, 1990.

17 KING COUNTY COUNCIL
18 KING COUNTY, WASHINGTON

19 Lois North
20 Chair

21 ATTEST:

22 Gerald A. Peterson
23 Clerk of the Council

24 APPROVED this 13th day of April, 1990.

25 Jim Hill
26 King County Executive
27

28 GMM-124*
29
30
31
32
33

EXHIBIT A

_____, 1990

The Depository Trust Company
55 Water Street, 49th Floor
New York, New York 10041

Attention: General Counsel's Office

Re: King County, Washington
Unlimited Tax General Obligation Bonds, 1990, Series A
(Open Space) - \$117,640,000
Limited Tax General Obligation Bonds, 1990, Series B
(Various Purpose) - \$12,770,000

The purpose of this letter is to set out certain matters relating to the issuance by King County, Washington (the "County") of the above-referenced bonds (collectively, the "Bonds"). Seattle-First National Bank and The Bank of New York (collectively, the "Registrar") are acting as registrar and authenticating and paying agent with respect to the Bonds, pursuant to Ordinance No. _____ and No. _____ of the County (collectively, the "Bond Ordinances").

To induce the County and the Registrar to deposit the Bonds with Depository Trust Company ("DTC") and to induce DTC to accept the Bonds as eligible for deposit at DTC, to hold such Bonds for the term thereof for the benefit of those participant brokers, dealers, banks and other financial institutions that are members of DTC ("Participants"), and to act in accordance with DTC's Rules with respect to the Bonds, the County, the Registrar and DTC agree as follows:

1. On _____, 1990, the date of payment and delivery of the Bonds, the County will cause to be deposited with DTC one Bond certificate registered in the name of DTC's nominee, CEDE & Co., for each stated maturity of each series of the Bonds in the principal amounts set forth on Schedule A hereto, the total of which represents 100% of the aggregate principal of the Bonds, and those Bond certificates shall remain in DTC's custody pursuant to the terms set forth in the Bond Ordinances.

2. The Bond Ordinances do not provide for obtaining any consents of Registered Owners of the Bonds.

3. In the event of an early redemption resulting in retirement of all outstanding Bonds of one series or a reduction in aggregate principal of outstanding Bonds ("full or partial redemption") or an advance refunding of all or part of the outstanding Bonds, the Registrar or the County shall give DTC notice of such event not less than 30 days nor more than 60 days prior to the redemption date.

4. In the event of a partial redemption or an advance refunding of part of the outstanding Bonds, the Registrar or the County shall send to DTC a notice specifying: (a) the amount and series designation of the Bonds subject to redemption or refunding; (b) in the case of a partial refunding, the maturity

1 date(s) established under the refunding; and (c) the date such
2 notice is to be mailed to Registered Owners of the Bonds (the
3 "Notice Date"). Such notice shall be delivered to DTC by a
4 secure means (e.g., legible facsimile transmission, registered
5 or certified mail, overnight express delivery) no later than the
6 close of business on the business day before the Notice Date.
7 The Registrar or the County will forward such notice either in a
8 separate secure transmission for each CUSIP number or in a
9 secure transmission for multiple CUSIP numbers which include a
10 manifest or list of each CUSIP submitted in that transmission.
11 (The Registrar or the County sending such notice shall have a
12 method to verify subsequently the use of such means and
13 timeliness of the notice.) The Notice Date shall be not less
14 than 30 days nor more than 60 days prior to the redemption date.

5. The Bond Ordinances do not provide for any invitation
to tender the Bonds.

6. All notices and payments sent to DTC shall contain the
CUSIP number of the Bonds.

7. Notices to DTC by facsimile transmission shall be sent
to DTC's Call Notification Department at (516) 227-4039 or (516)
227-4190. Notices to DTC by mail or by other means shall be
sent to:

The Depository Trust Company
Call Notification Department
Muni Reorganization Manager
711 Stewart Avenue
Garden City, New York 11530

8. Interest payments on the Bonds shall be received by
CEDE & Co., as nominee of DTC, or its registered assigns, in
next-day funds (or the equivalent in accordance with existing
arrangements among the County, the Registrar and DTC) on each
payment date. Such payments shall be made payable to the order
of "CEDE & Co."

9. Payments of principal of the Bonds shall be received by
CEDE & Co., as nominee of DTC, or its registered assigns, in
next-day funds (or the equivalent in accordance with existing
arrangements between the County, the Registrar and DTC) on each
Bond maturity date, provided that the Certificate is presented
to the Registrar prior to or upon payment. Such payments shall
be made payable to the order of "CEDE & Co.," and shall be
addressed as follows:

The Depository Trust Company
Muni Redemption Department
55 Water Street - 50th Floor
New York, New York 10041
Attention: Collection Supervisor

10. DTC may direct the Registrar or the County to use any
other telephone number for facsimile transmission, address, or
department of DTC as the number, address or department to which
payments of interest or principal or notices may be sent.

11. In the event of a redemption, acceleration or any other
similar transaction necessitating a reduction in aggregate
principal amount of Bonds outstanding or an advance refunding of
part of the Bonds outstanding, DTC, in its discretion, (a) may
request the County or the Registrar to issue and authenticate a
new Bond certificate, or (b) shall make an appropriate notation

1 on the Bond certificate indicating the date and amounts of such
2 reduction in principal, except in the case of final maturity, in
3 which case the certificate must be presented to the Registrar
4 prior to payment.

5 12. In the event that the County determines pursuant to the
6 Bond Ordinances that a substitute depository shall be appointed
7 to maintain custody of the certificates evidencing the Bonds,
8 the County or the Registrar shall notify DTC of arrangements for
9 another securities depository to maintain custody of such
10 certificates, and upon request, DTC shall surrender all of the
11 immobilized certificates to the Registrar for purposes of such
12 transfer to the new securities depository.

13 13. In the event the County determines pursuant to the Bond
14 Ordinances that beneficial owners of the Bonds should be able to
15 obtain certificated Bonds and that such certificates should be
16 made available to DTC, the County or the Registrar shall notify
17 DTC of the availability of Bond certificates and shall issue,
18 transfer and exchange Bond certificates in appropriate amounts
19 as required by DTC and others.

20 14. DTC may determine to discontinue providing its service
21 as securities depository with respect to the Bonds at any time
22 by giving reasonable notice to the County and the Registrar (at
23 which time DTC will confirm with the County and the Registrar
24 the aggregate principal amount of Bonds outstanding) and
25 discharge its responsibilities with respect thereto under
26 applicable law. Under such circumstances, whenever DTC requests
27 the County and the Registrar to do so, the Registrar and the
28 County will cooperate with DTC in taking appropriate action to
29 make available one or more separate certificates evidencing the
30 Bonds to any DTC Participant having Bonds credited to its DTC
31 account.

32 15. Nothing herein shall be deemed to require the Registrar
33 to advance funds on behalf of the County.

By its acceptance of this letter of representation, DTC
covenants to the County and the Registrar that it will hold
amounts advanced to it by the County or the Registrar for
payment of the Bonds in trust solely for such payment and shall
properly apply such amounts for such purpose.

Very truly yours,

SEATTLE-FIRST NATIONAL BANK
THE BANK OF NEW YORK,
collectively, as Registrar

By SEATTLE-FIRST NATIONAL BANK

By: _____
Title: _____

KING COUNTY, WASHINGTON

By: _____
Finance Manager

ACCEPTED:

THE DEPOSITORY TRUST COMPANY

By: _____
Authorized Officer

EXHIBIT B

Number:

\$ _____

UNITED STATES OF AMERICA
KING COUNTY
UNLIMITED TAX GENERAL OBLIGATION BONDS, 1990, SERIES A
(OPEN SPACE)

Interest Rate: _____% Maturity CUSIP No.:
Date: _____, 1991 _____

Registered Owner: CEDE & CO.

Principal Amount: _____

KING COUNTY, WASHINGTON, (THE "COUNTY"), a municipal corporation of the State of Washington, for value received, promises to pay to the Registered Owner identified above, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the date of this bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, payable on June 1, 1991, and semiannually thereafter on each succeeding December 1 and June 1 to the maturity of this bond. If this bond is duly presented for payment not paid on its maturity date, then interest shall continue to accrue at the Interest Rate identified above until this bond, both principal and interest, is paid in full or until sufficient money for such payment in full is on deposit in the Bond Account and this bond has been duly called for payment.

Both principal and interest are payable in lawful money of the United States of America. Principal is payable at the office of either of the fiscal agencies of the State of Washington in Seattle, Washington, or New York, New York (collectively the "Bond Registrar"). Payment of each installment of interest shall be made to the Registered Owner hereof whose name shall appear on the registration books of the County maintained by the Bond Registrar (the "Bond Register") at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Bond Registrar mailed to such Registered Owner at the address of such owner as it appears on the Bond Register or, when requested in writing by the Registered Owner of at least \$1,000,000 par value of the bonds of this issue or otherwise agreed to by the County, shall be paid by wire transfer.

This bond is one of a total issue of \$_____ par value of Unlimited Tax General Obligation Bonds, 1990, Series A (Open Space) (the "Bonds"), issued in fully registered form in denominations of \$5,000 or any integral multiple thereof within a single maturity, all of like date, tenor and effect, except as to numbers, maturities, interest rates and options of redemption, all payable from the King County Unlimited Tax General Obligation Bond Redemption Fund, and issued by the County for the purpose of providing a part of the money required to carry out the acquisition and, if applicable, the

1 construction, development and improvement of public green
2 space, green belts, open space, parks, trails or facilities and
3 paying the costs of issuance and sale of the Bonds, all as set
4 forth in Ordinance No. 9071, and Ordinance No. _____ (the
5 "Bond Ordinance").

6 The County reserves the right and option to redeem Bonds
7 maturing on or after December 1, 2001, prior to their stated
8 maturity dates, on or after December 1, 2000, in whole at any
9 time, or in part on any interest payment date by lot in the
10 manner determined by the Bond Registrar within one or more
11 maturities selected by the County, at par plus accrued interest
12 to the date fixed for redemption.

13 Portions of the principal amount of any Bond in
14 installments of \$5,000 or any integral multiple of \$5,000 may
15 be redeemed. If less than all of the principal amount of any
16 Bond is redeemed, upon surrender of such Bond at the principal
17 office of the Bond Registrar there shall be issued to the
18 Registered Owner, without charge therefor, a new Bond (or Bonds
19 at the option of the Registered Owner) in a principal amount
20 representing the uncalled portion of such original principal
21 amount, of like maturity and interest rate in any of the
22 denominations authorized by the Bond Ordinance.

23 As long as the Bonds are registered in the name of CEDE &
24 CO. or its registered assigns, as nominee for The Depository
25 Trust Company, New York, New York, notice of any such intended
26 redemption shall be given as provided in the Letter of
27 Representations. Otherwise, such notice shall be given not
28 less than 30 or more than 60 days prior to the date fixed for
29 redemption, by first class mail, postage prepaid, to the
30 Registered Owner of each Bond to be redeemed at the address
31 appearing on the Bond Register, and the requirements of the
32 Bond Ordinance shall be deemed to have been fulfilled when
33 notice has been mailed as so provided, whether or not it is
actually received by the owner of any Bond. In addition, such
redemption notice shall be mailed within the same period,
postage prepaid, to the main offices of [the managing
underwriter] in _____, _____, and Moody's
Investors Service, Inc., and Standard & Poor's Corporation in
New York, New York, or to their successors, and to such other
persons as the County deems appropriate, but the mailing to any
of those firms shall not be a condition precedent to the
redemption of Bonds. Interest on the Bonds so called for
redemption shall cease on the date fixed for redemption unless
such Bond or Bonds so called are not deemed upon presentation
made pursuant to such call.

25 The County has reserved the right and option to purchase
26 any or all of the Bonds on the open market at any time at a
27 price not in excess of the next applicable call price plus
28 accrued interest to the date of purchase.

29 The County irrevocably covenants that it will levy taxes
30 annually, without limitation as to rate or amount, on all of
31 the taxable property within the County, in an amount
32 sufficient, together with other money legally available
33 therefor, to pay the principal of an interest on the Bonds as
the same shall become due, and the full faith, credit and
resources of the County are pledged irrevocably for the annual
levy and collection of such taxes and for the prompt payment of
principal of an interest on the Bonds.

1 Reference is made to the Bond Ordinance for other covenants
 2 and declarations of the County and other terms and conditions
 3 upon which this Bond has been issued, which terms and
 4 conditions including but not limited to terms pertaining to
 5 defeasance, are made a part hereof by this reference.
 6 Reference also is made to the Bond Ordinance for the
 7 definitions of capitalized terms appearing in this Bond and not
 8 otherwise defined herein. The County irrevocably and
 9 unconditionally has covenanted that it will keep and perform
 10 all the covenants of this Bond and of the Bond Ordinance.

11 This Bond is transferable by the Registered Owner hereof or
 12 by that owner's duly authorized agent at the Bond Registrar,
 13 but only in the manner and subject to the limitations set forth
 14 in the Bond Ordinance, and only upon the completion of the
 15 assignment form appearing hereon upon the surrender and
 16 cancellation of this Bond. Upon such transfer, a new Bond (or
 17 Bonds at the option of the new Registered Owner) of the same
 18 maturity and interest rate and for the same aggregate principal
 19 amount will be issued to the new Registered Owner, without
 20 charge, in exchange therefor. This Bond and other Bonds may be
 21 surrendered to the Bond Registrar and exchanged, without
 22 charge, for an equal aggregate principal amount of Bonds of the
 23 same maturity and interest rate, in any authorized
 24 denomination. The Bond Registrar shall not be obligated to
 25 transfer or exchange any Bond during the fifteen days preceding
 26 any principal payment or redemption date.

27 The County and the Bond Registrar may deem and treat the
 28 Registered Owner hereof as the absolute owner hereof for all
 29 purposes and neither the County nor the Bond Registrar shall be
 30 affected by any notice to the contrary. "Registered Owner," as
 31 used herein means the person named as the Registered Owner of
 32 this Bond on the front hereof and on the registration books of
 33 the Bond Registrar.

It is hereby certified that all acts, conditions and things
 required to have happened, been done and performed precedent to
 and in the issuance of this Bond have happened, been done and
 performed and that the total indebtedness of the County,
 including this bond issue, does not exceed any constitutional
 or statutory limitations.

IN WITNESS WHEREOF, the County Council of King County,
 Washington, has caused this Bond to be executed on behalf of
 the County with the manual signatures of its Executive and the
 Clerk of the Council and has caused the official seal of the
 County to be impressed, printed or otherwise reproduced hereon,
 all as of the _____ day of May, 1990.

CERTIFICATE OF AUTHENTICATION KING COUNTY, WASHINGTON

DATE OF AUTHENTICATION By _____
 COUNTY EXECUTIVE

This Bond is one of the Unlimited
 Tax General Obligation Bonds,
 Series 1990 (Open Space), described
 in the within mentioned Bond Ordinance. By _____
 CLERK OF THE COUNCIL

KING COUNTY FISCAL AGENCY
 Bond Registrar

By _____
 Authorized Officer

EXHIBIT C

OFFICIAL NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

OFFERING NO. 1

\$117,640,000 UNLIMITED TAX GENERAL OBLIGATION BONDS, 1990
SERIES A (Open Space)

OFFERING NO. 2

\$12,770,000 LIMITED TAX GENERAL OBLIGATION BONDS, 1990
SERIES B (Various Purpose)

Sealed Bids will be received by the Clerk of the Council of King County, Washington (the "County"), at his office in Room 403, King County Courthouse, Seattle, Washington, until 10:00 a.m., Pacific Daylight Time, on

April 16, 1990

for the purchase of the following bonds (the Offering No. 1 Bonds and the Offering No. 2 Bonds are referred to collectively as the "Bonds"):

Offering No. 1 -- \$117,640,000

\$117,640,000 King County, Washington, Unlimited Tax General Obligation Bonds, 1990, Series A (Open Space)

Offering No. 2 -- \$12,770,000

\$12,770,000 Limited Tax General Obligation Bonds, 1990, Series B (Various Purpose)

All bids received will be publicly opened, read and considered by the County Council beginning at 10:00 a.m., and an award shall be made thereafter at the same meeting in the Council Chambers in the King County Courthouse on the same date.

Separate Offerings. Offering No. 1 and Offering No. 2 will be sold by the County as separate offerings, each offering to be sold on an all or none basis. Bidders are not required to, but may, submit bids for both offerings.

DESCRIPTION OF BONDS

The Bonds will be dated April 15, 1990; will be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; will be numbered separately and in the manner and with any additional designation as the Bond Registrar (collectively the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York) deems necessary for purposes of identification; and will bear interest at such rate or rates as the County Council shall fix at the time of sale, payable on June 1, 1991, and semiannually thereafter on each succeeding December 1 and June 1.

Offering No. 1 Bonds will mature on December 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Maturity Years</u>	<u>Principal Amounts</u>
1992	\$3,615,000	2001	\$ 6,320,000
1993	3,830,000	2002	6,745,000
1994	4,065,000	2003	7,215,000
1995	4,320,000	2004	7,720,000
1996	4,590,000	2005	8,265,000
1997	4,885,000	2006	8,850,000
1998	5,205,000	2007	9,480,000
1999	5,545,000	2008	10,165,000
2000	5,920,000	2009	10,905,000

Offering No. 2 Bonds will mature on December 1 in years and amounts as follows

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Maturity Years</u>	<u>Principal Amounts</u>
1992	\$390,000	2001	\$ 685,000
1993	415,000	2002	735,000
1994	440,000	2003	785,000
1995	470,000	2004	840,000
1996	495,000	2005	900,000
1997	525,000	2006	965,000
1998	565,000	2007	1,030,000
1999	600,000	2008	1,105,000
2000	640,000	2009	1,185,000

IMMOBILIZATION OF THE BONDS

The Bonds shall be issued initially in the form of separate, single, authenticated, fully registered Bonds in the amount of each stated maturity of the Bonds, shall be registered in the name of CEDE & Co., as nominee for Depository Trust Company of New York, New York ("DTC"), and shall be held in fully immobilized form by DTC as depository pursuant to a Letter of Representation to be entered into by the County and the Bond Registrar and received and accepted by DTC. Reference is made to the Preliminary Official Statement for more details of the immobilization.

OPTIONS OF REDEMPTION

Bonds maturing in the years 1991 through 2000, inclusive, are not subject to redemption prior to their stated maturity dates. The County has reserved the right and option to redeem Bonds maturing on or after December 1, 2001, beginning on December 1, 2000, as a whole at any time, or in part on any interest payment date, with the maturities to be redeemed to be selected by the County (and by lot within a maturity in such manner as the Bond Registrar shall determine) at par plus accrued interest to date fixed for redemption.

Any Bond in the principal amount of greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of that Bond at either of the principal offices of the Bond Registrar, a new Bond or Bonds, at the option of the registered owner, of the same interest rate and maturity in the aggregate principal amount remaining

1 unredeemed, shall be issued to the registered owner in the
2 denomination of \$5,000 or any integral multiple thereof, and
shall be authenticated and delivered to such registered Owner
without charge.

3 The County further has reserved the right and option to
4 purchase any or all of the Bonds in the open market at any time
and at any price.

5 SECURITY

6 **Offering No. 1 Bonds.** The County irrevocably has pledged to
7 include in its budgets and to levy taxes annually without
8 limitation as to rate or amount on all of the taxable property
9 within the County subject to taxation in an amount sufficient,
together with other money legally available and to be used
10 therefor, to pay when due the principal of and interest on the
Offering No. 1 Bonds, and the full faith, credit and resources
11 of the County have been pledged irrevocably for the annual levy
and collection of those taxes and the prompt payment of that
principal and interest.

12 **Offering No. 2 Bonds.** The County irrevocably has pledged to
include in its budgets and to levy taxes annually that counties
13 are permitted to levy without a vote of the people, on all of
the taxable property within the County subject to taxation, in
14 an amount sufficient, together with other money legally
available and to be used therefor, to pay when due the principal
15 of and interest on the Offering No. 2 Bonds, and the full faith,
credit and resources of the County have been pledged irrevocably
16 for the annual levy and collection of those taxes and the prompt
payment of that principal and interest.

17 BIDDING INFORMATION

18 Separate bids for each offering must be submitted on the
19 official bid forms that are contained in the Preliminary
Official Statement, or on photocopies or facsimiles of such
20 forms.

21 Bidders are invited to submit bids for the purchase of each
offering of Bonds fixing the interest rate or rates that those
22 Bonds will bear. The bids shall specify either (a) the lowest
rate or rates of interest, together with premium, at which the
23 bidder will purchase the respective Bond Offering, or (b) the
lowest rate or rates of interest at which the bidder will
24 purchase the Bonds at par. No bid will be considered for the
Bonds for less than par plus accrued interest or for less than
25 the entire Offering No. 1 Bonds or the entire Offering No. 2
Bonds. The purchaser must pay accrued interest, if any, to the
26 date of delivery of the Bonds purchased by it.

27 Interest rates bid shall be in multiples of 1/8 or 1/20 of
1%, or both. No more than one rate of interest may be fixed for
28 any one maturity. The maximum differential between the lowest
and highest interest rates named in any bid shall not exceed 3
29 percentage points.

30 For the purpose of comparing bids only, the interest rates
bid being controlling, each bid shall state the true interest
31 cost of the bid determined in the manner hereinafter stated.
The true interest cost will be determined by doubling the
32 semiannual interest rate (compounded semiannually) necessary to
33

1 discount the debt service payments from the payment dates to the
2 date of the Bonds and to the price bid, without regard to
interest accrued to the date of delivery of the Bonds.

3 BID DEPOSIT

4 All bids shall be sealed and accompanied by a good faith
5 deposit. The good faith deposit for Bond Offering No. 1 shall
6 be in the amount of \$1,500,000, and shall be in cash or
7 certified or cashier's check made payable to the King County
8 Finance Manager. The good faith deposit for Bond Offering No. 2
9 shall be in the amount of \$200,000, and shall be in cash or
10 certified or cashier's check made payable to the King County
11 Finance Manager. Each good faith deposit shall be returned
12 promptly if the bid is not accepted. The good faith deposit of
13 the successful bidder shall be retained by the County, shall be
14 applied to the purchase price of the Offering No. 1 Bonds or the
Offering No. 2 Bonds, as applicable, on the delivery of such
Bonds to the successful bidder. Pending delivery of the Bonds,
the good faith deposits may be invested for the sole benefit of
the County. If either Bond Offering No. 1 or Bond Offering No.
2 is ready for delivery and the successful bidder fails to
complete the purchase of such Bonds within 40 days following the
acceptance of its bid, the applicable good faith deposit shall
be forfeited to the County, and, in that event, the County
Council may accept the next best bid or call for additional
proposals.

15 AWARD

16 The Offering No. 1 Bonds and the Offering No. 2 Bonds will
17 be sold to the bidders making bids conforming to the terms of
18 the offering and which, on the basis of the lowest true interest
19 cost, are the best bids. If there are two or more equal bids
20 for a Bond Offering and those bids are the best bids received,
21 the County Council shall determine by lot which bid will be
22 accepted. The County reserves the right to reject any or all
23 bids submitted and to waive any formality in the bidding or
24 bidding process, and, if all bids for an offering are rejected,
25 that Bond Offering may be readvertised for sale in the manner
26 provided by law. Any bid presented after the time specified for
27 the receipt of bids will not be received, and any bid not
28 accompanied by the required good faith deposit at the time of
29 opening that bid will not be read or considered.

30 DELIVERY

31 The Bonds will be delivered on behalf of the successful
32 bidders to DTC in New York, New York, within forty days after
33 the sale date immediately upon thereceipt by the County of the
purchase price in immediately available federal funds in
Seattle, Washington. Delivery is expected to be on or about
May 1, 1990.

CUSIP numbers will be typed or printed on the Bonds, if
requested in the bid of the successful bidder, but neither
failure to print CUSIP numbers on any Bond nor error with
respect thereto shall constitute cause for a failure or refusal
by the purchaser to accept delivery of and pay for the Bonds in
accordance with its bid. All expenses in relation to the typing
or printing of CUSIP numbers on the Bonds shall be paid by the
County, but the fee of the CUSIP Service Bureau for the
assignment of those numbers shall be the responsibility of and
shall be paid by the purchaser.

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

5 The Bonds will be furnished by the County and will be sold
6 with the approving legal opinion of Foster Pepper & Shefelman,
7 bond counsel of Seattle, Washington, on the Series A Bonds, and
8 Preston Thorgrimson Shidler Gates & Ellis, bond counsel of
9 Seattle, Washington, on the Series B Bonds. The approving legal
10 opinions relative to the issuance of the Bonds shall be printed
11 on each Bond, if the Bonds are printed, or accompanying the
12 Bonds, if the Bonds are typed, all at the expense of the
13 County. Executed counterparts of bond counsel opinions will be
provided to the managing underwriter in Seattle, Washington, at
the time of the delivery of the Bonds. Bond counsel opinions
shall express no opinion concerning the completeness or accuracy
of any Official Statement, offering circular or any other sales
material issued or used in connection with the Bonds. A
no-litigation certificate will be included in the closing papers
of each series of Bonds.

14 OFFICIAL STATEMENT AND OTHER INFORMATION

15 A copy of the County's Preliminary Official Statement, dated
16 March 30, 1990, may be obtained by contacting the County Finance
17 Manager or County's financial advisors, the addresses and
18 telephone numbers of which are listed below. The Preliminary
19 Official Statement is in a form deemed final by the County for
20 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 managing underwriter not later than seven
business days after the County's acceptance of the managing
underwriter's proposal. No less than 700 copies of the final
Official Statement will be delivered.

21 By submitting the successful proposal, the managing
22 underwriter agrees to file, or cause to be filed, within one
23 business day following the receipt from the County, the final
24 Official Statement with a nationally recognized municipal
securities information repository designated by the Securities
and Exchange Commission.

25 The County will advise the managing underwriter, by written
26 notice, of any "developments that impact the accuracy and
27 completeness of the key presentations" (within the meaning of
28 Rule 15c2-12) contained in the final Official Statement, which
29 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 such municipal
securities information repository, in which event such period
shall end on the 25th day.

30 The Preliminary Official Statement (with the Official Notice
31 of Bond Sale and the Official Bid Forms) and further information
32 regarding the details of the Bonds may be received upon request
33

1 to the County Finance Manager or to Shearson Lehman Hutton,
2 Inc., 999 Third Avenue, Seattle, Washington 98104 (telephone:
3 (206) 344-3575), or Public Financial Management, 345 California
Street, Suite 2550, San Francisco, CA 94104 (telephone:
4 (415) 982-5544), the County's financial advisors.

5 DATED at Seattle, Washington, this 30th day of March, 1990.

6 Gerald A. Peterson, Clerk of the King County Council

7
8 GMM-126*