

December 6, 1993

Introduced by: Ron Sims

Proposed No.: 93-876

MOTION NO. 9178

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A MOTION of the King County Council accepting a bid for the purchase of limited tax levy general obligation bonds of the county in the principal amount of not to exceed \$120,000,000; fixing and confirming the date, interest rate and redemption provisions of the bonds and authorizing the County Finance Manager to establish various terms and conditions of such bonds and to report to the Council.

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WHEREAS, the county council by Ordinance No. 11121 passed November 22, 1993 (the "Ordinance"), authorized the issuance and sale of the county's Limited Tax Levy General Obligation and Refunding Bonds (Various Purpose), 1993 Series B in the principal amount of not to exceed \$120,000,000 (the "Bonds") for a variety of purposes specified in the Ordinance including the refunding of certain outstanding bonds of the county, and

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WHEREAS, pursuant to the Ordinance, a preliminary official statement has been prepared for the public sale of the Bonds in the aggregate principal amount of \$116,825,000, the official notice of such sale as revised (the "Notice") has been duly published and given as required by law and bids have been received in accordance with the Notice, and

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WHEREAS, the attached bid to purchase the Bonds is the best bid received; and it is in the best interest of the county that the Bonds be sold to LEHMAN BROTHERS INC. on the terms set forth in the Notice, the attached bid and in the Ordinance, and

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WHEREAS, the exact amount of the Bonds required for the refunding of the outstanding bonds cannot be determined until the prices of certain government obligations acquired to defease the outstanding bonds are established;

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NOW, THEREFORE, BE IT MOVED by the Council of King County:
The terms and conditions set forth in the Notice attached

1 hereto as Exhibit A are hereby ratified and confirmed, and the
 2 bid to purchase the Bonds, as set forth in the bid form attached
 3 hereto as Exhibit B, is hereby accepted. The Bonds shall bear
 4 interest at the rates set forth in Exhibit B and shall conform
 5 in all other respects to the terms and conditions specified in
 6 the Notice.

7 The council hereby delegates to the county finance manager
 8 the authority to determine the final principal maturity amounts
 9 and the aggregate principal amount of the Bonds in order to
 10 accomplish the plan of refunding set forth in the Ordinance;
 11 provided, that the aggregate principal amount shall not exceed
 12 \$120,000,000 and the county finance manager shall report to the
 13 council within 24 hours regarding the principal maturity amounts
 14 and aggregate principal amount of the Bonds.


15 The county officials, their agents and representatives are
 16 hereby authorized and directed to do everything necessary for
 17 the prompt issuance and delivery of the bonds and for the proper
 18 use and application of the proceeds of such sale.

19 PASSED this 6th day of December, 1993.

20 KING COUNTY COUNCIL
 21 KING COUNTY, WASHINGTON

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 23 Chair

24 ATTEST:

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 26 Clerk of the Council

27 Attachments: Exhibit A - Notice of Bond Sale
 28 Exhibit B - Bid Form

9178

OFFICIAL NOTICE OF BOND SALE**KING COUNTY, WASHINGTON****\$116,825,000* LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS (VARIOUS PURPOSE), 1993 SERIES B**

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, 516 Third Avenue, Seattle, Washington, until 10:00 a.m., Pacific Standard Time, on

Monday, December 6, 1993

or on such day as may be established by the County Finance Manager and communicated through Munifacts News Service not less than 24 hours prior to the time bids are to be received, for the purchase of the following Bonds (the "Bonds"):

**\$116,825,000* Limited Tax General Obligation and Refunding Bonds
(Various Purpose), 1993 Series B**

All bids received with respect to the Bonds will be considered by the County Council beginning at 11:00 a.m. Awards shall be made thereafter at the same meeting on the same date that bids are opened.

DESCRIPTION OF BONDS

The Bonds will be dated December 1, 1993; 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. Interest on the Bonds will be payable on July 1, 1994 and semiannually thereafter on each January 1 and July 1.

The Bonds will mature on the dates and in the amounts as follows:

<u>Maturity Dates</u>	<u>Principal Amounts*</u>	<u>Maturity Dates</u>	<u>Principal Amounts*</u>
7/1/94	\$ 605,000	1/1/10	\$ 2,780,000
1/1/95	2,825,000	1/1/11	2,930,000
1/1/96	3,230,000	1/1/12	3,090,000
1/1/97	6,255,000	1/1/13	3,260,000
1/1/98	6,515,000	1/1/14	3,440,000
1/1/99	15,410,000	1/1/15	2,425,000
1/1/00	7,110,000	1/1/16	2,555,000
1/1/01	7,450,000	1/1/17	2,700,000
1/1/02	2,395,000	1/1/18	2,850,000
1/1/03	2,500,000	1/1/19	3,005,000
1/1/04	2,615,000	1/1/20	3,175,000
1/1/05	2,760,000	1/1/21	3,350,000
1/1/06	2,890,000	1/1/22	3,535,000
1/1/07	2,375,000	1/1/23	3,730,000
1/1/08	2,495,000	1/1/24	3,940,000
1/1/09	2,630,000		

* Preliminary, any changes to the aggregate principal amount or the principal amount of each maturity will be published on Munifacts no later than 24 hours prior to the bid opening.

ADJUSTMENT OF PRINCIPAL AMOUNTS AND BID PRICE

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed five percent (5%) following the opening of the bids. No single preliminary principal amount of any maturity will be increased or decreased by more than five percent (5%). The price bid by the successful bidder will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of the Bonds. The County expects to notify the successful bidder of the final principal amount and maturity schedule within 24 hours of the bid opening.

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 through January 1, 2004, 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 January 1, 2004, beginning on January 1, 2005, 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 unredeemed, shall be issued to the registered owner in the denomination of \$5,000 or any integral multiple thereof, and shall be authenticated and delivered to such registered owner without charge.

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

SECURITY

The County irrevocably has pledged to include in its budgets and to levy taxes annually that counties are permitted to levy without a vote of the people, on all of the taxable property within the County subject to taxation, in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and the full faith, credit and resources 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.

BIDDING INFORMATION

Bids must be submitted on the official bid forms that are contained in the Preliminary Official Statement, or on photocopies or facsimiles of such forms.

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that these Bonds will bear. The bids shall specify the lowest rate or rates of interest, together with premium, if any at which the bidder will purchase the Bonds. No bid will be considered for the Bonds for less than an amount equal to 98.5 percent of par plus accrued interest or for less than the entire offering of Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Bonds purchased by it.

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 any one maturity. The maximum differential between the lowest and highest interest rates named in any bid shall not exceed 4 percentage points.

For the purpose of comparing bids only, the interest rates bid being controlling, each bid shall state the true interest cost of the bid determined in the manner hereinafter stated. The true interest cost will be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Bonds.

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 each maturity 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 (a) confirming the Initial Reoffering Prices, (b) certifying that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries), and (c) stating the prices at which a substantial amount of each maturity of the Bonds was sold to the public (excluding bond houses, brokers, and other intermediaries), and (d) stating the price at which any Bonds that remain unsold at the date of closing would have been sold on such date, and (e) the offering price of each Bond sold to institutional or other investors at discount.

BID DEPOSIT

All bids shall be made only on Official Bid Forms furnished by the County or on photocopies or facsimiles of such forms, sealed and accompanied by a good faith deposit. The good faith deposit shall be in the amount of \$1,000,000, and shall be in the form of cash or certified or cashier's check made payable to the King County Finance Manager or a Financial Security 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 in care of the County Finance Manager 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 cashier's check or wire transfer as instructed by the County not later than 3:30 p.m., Seattle 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 Security Bond shall be returned promptly if the bid is not accepted. The good faith deposit of the successful bidder shall be retained by the County, shall be applied to the purchase price of the Bonds 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 the Bonds are 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 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.

AWARD

The Bonds will be sold to the bidder making a bid conforming to the terms of the offering and which, on the basis of the lowest true interest cost, is the best bid. If there are two or more equal bids and those bids are the best bids received, the County Council shall determine by lot which bid will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process, and, if all bids for an offering are rejected, that Bond Offering may be readvertised for sale in the manner provided by law. Any bid presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

DELIVERY

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

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 responsibility of and shall be paid by the purchaser.

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 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.

The Bonds will be furnished by the County and will be sold with the approving legal opinion of Preston Thorgrimson Shidler Gates & Ellis, bond counsel of Seattle, Washington. The approving legal opinions relative to the issuance of the Bonds shall be printed on each Bond, if the Bonds are printed, or accompanying the Bonds, if the Bonds are typed, all at the expense of the 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.

OFFICIAL STATEMENT AND OTHER INFORMATION

A copy of the County's Preliminary Official Statement, dated November 24, 1993, may be obtained by contacting the County Finance Manager or the County's financial advisor, the addresses and telephone numbers of which are listed below. 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 managing underwriter not later than seven business days after the County's acceptance of the managing underwriter's proposal. The County will provide no more than 700 copies of the final Official Statement. Additional copies will be provided at the purchaser's expense.

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

The County will advise the managing underwriter, by written notice, of any "developments that impact the accuracy and completeness of the key presentations" (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final official statement has been filed with such municipal securities information repository, in which event such period shall end on the 25th day.

The Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Forms) and further information regarding the details of the Bonds may be received upon request to the County Finance Manager or to Seattle Northwest Securities Corporation, Pacific First Centre, Suite 4300, 1420 Fifth Avenue, Seattle, Washington 98101 (telephone: (206) 628-2882), the County's financial advisor.

DATED at Seattle, Washington, this 24th day of November, 1993.

/s/ Gerald A. Peterson
Clerk of the King County Council

OFFICIAL BID FORM

KING COUNTY WASHINGTON

\$116,825,000*

**LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS
(Various Purpose), 1993 SERIES B**

For all, and not less than all, of \$116,825,000* principal amount of the King County, Washington Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B, to be dated December 1, 1993, and payable on January 1 and July 1 of each of the years and in the amounts shown herein, with interest payable semiannually on the first days of January and July of each year commencing on July 1, 1994, at the rate or rates specified herein until the 1993 Series B Bonds are paid, we will pay \$ 115,094,937.55 plus accrued interest from December 1, 1993, to the date of delivery of the 1993 Series B Bonds.

The interest rate or rates upon which this bid is based are as follows:

Due	Principal Amounts	Interest Rates	Due	Principal Amounts	Interest Rates
7/1/94	\$ 605,000	4.0	1/1/10	\$2,780,000	
1/1/95	2,825,000		1/1/11	2,930,000	
1/1/96	3,230,000		1/1/12	3,090,000	
1/1/97	6,255,000		1/1/13	3,260,000	
1/1/98	6,515,000	↓	1/1/14	3,440,000	
1/1/99	15,410,000	6.70	1/1/15	2,425,000	↓
1/1/00	7,110,000		1/1/16	2,555,000	
1/1/01	7,450,000	↓	1/1/17	2,700,000	4.75
1/1/02	2,395,000	4.40	1/1/18	2,850,000	↓
1/1/03	2,500,000	4.50	1/1/19	3,005,000	↓
1/1/04	2,615,000	4.60	1/1/20	3,175,000	4.50
1/1/05	2,760,000	4.625	1/1/21	3,350,000	
1/1/06	2,890,000	4.75	1/1/22	3,535,000	
1/1/07	2,375,000	4.875	1/1/23	3,730,000	
1/1/08	2,495,000	5.0	1/1/24	3,940,000	↓
1/1/09	2,630,000	4.50			

We hereby designate the Last Year of Serial Maturities of the 1993 Series B Bonds to be 2016. We hereby specify the Years of Term Maturities of the 1993 Series B Bonds to be as follows (leave blank if no Term Maturities are specified):

Years Aggregated	Years of Term	Interest Rate
<u>2017</u> through <u>2019</u>	<u>3</u>	<u>4.75</u> %
<u>2020</u> through <u>2024</u>	<u>5</u>	<u>4.50</u>

This bid is submitted in accordance with and is subject to all provisions of the Official Notice of Bond Sale dated _____, which is incorporated herein by this reference.

Our calculation, but not constituting any part of the foregoing bid, of the true interest cost of the 1993 Series B Bonds is 5.02961 %.

A Bid Deposit (as defined in the Official Notice of Bond Sale) for the 1993 Series B Bonds in the amount of \$1,000,000 is provided in the form of a Financial Surety Bond or a check payable to the King County, Washington and is attached hereto. We agree to the terms and conditions regarding the Bid Deposit as stipulated in the Official Notice of Bond Sale.

Respectfully submitted this _____ day of _____, 1993

By: Lehman Brothers (Alone)
 For: [Signature]
Peter Coleman, Senior V.P.
 (Name of Contact Person)
Linda Antonelli-Nissen
212-528-1061 (Telephone Number)

Good faith check returned and receipt thereof acknowledged.

212-528-1061
 (Please provide a listing of the managers and account members of your bidding group)

Signed: _____ For: _____

* Preliminary, any changes to the aggregate principal amount or the principal amount of each maturity will be published on Munifacts no later than 24 hours prior to the bid opening.

9178

OFFICIAL NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

**\$181,860,000* UNLIMITED TAX GENERAL OBLIGATION
REFUNDING BONDS, 1993 SERIES C**

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, 516 Third Avenue, Seattle, Washington, until 10:00 a.m., Pacific Standard Time, on

Monday, December 6, 1993

or on such day as may be established by the County Finance Manager and communicated through Munifacts News Service not less than 24 hours prior to the time bids are to be received, for the purchase of the following Bonds (the "Bonds"):

\$181,860,000* Unlimited Tax General Obligation Refunding Bonds, 1993 Series C

All bids received with respect to the Bonds will be considered by the County Council beginning at 11:00 a.m. Awards shall be made thereafter at the same meeting on the same date that bids are opened.

DESCRIPTION OF BONDS

The Bonds will be dated December 1, 1993; 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. Interest on the Bonds will be payable on June 1, 1994 and semiannually thereafter on each December 1 and June 1.

The Bonds will mature on June 1 in the years and amounts as follows:

<u>Maturity Years</u>	<u>Principal Amounts*</u>	<u>Maturity Years</u>	<u>Principal Amounts*</u>
6/1/94	\$ 1,280,000	6/1/07	\$ 19,080,000
6/1/95	1,870,000	6/1/08	11,625,000
6/1/96	1,940,000	6/1/09	12,315,000
6/1/97	2,025,000	6/1/10	1,480,000
6/1/98	2,110,000	6/1/11	1,565,000
6/1/99	6,965,000	6/1/12	1,655,000
6/1/00	7,290,000	6/1/13	1,750,000
6/1/01	14,125,000	6/1/14	1,855,000
6/1/02	14,800,000	6/1/15	1,960,000
6/1/03	15,535,000	6/1/16	2,075,000
6/1/04	16,320,000	6/1/17	2,195,000
6/1/05	17,175,000	6/1/18	2,320,000
6/1/06	18,090,000	6/1/19	2,460,000

ADJUSTMENT OF PRINCIPAL AMOUNTS AND BID PRICE

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed five percent (5%) following the opening of the bids. No single preliminary principal amount of any maturity will be increased or decreased by more than five percent (5%). The price bid by the successful bidder will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of the Bonds. The County expects to notify the successful bidder of the final principal amount and maturity schedule within 24 hours of the bid opening.

* Preliminary, any changes to the aggregate principal amount or the principal amount of each maturity will be published on Munifacts no later than 24 hours prior to the bid opening.

**REVISION TO OFFICIAL NOTICE OF BOND SALE FOR THE KING
COUNTY, WASHINGTON \$116,825,000 LIMITED TAX GENERAL
OBLIGATION AND REFUNDING BONDS (VARIOUS PURPOSE), 1993
SERIES B, COMMUNICATED TO POTENTIAL BIDDERS VIA
MUNIFACTS ON NOVEMBER 30, 1993**

CORRECTION TO \$116.825 MIL KING CO., WASH., NOTICE OF SALE

11/30 01:52

NY (MFX)--THE OPTIONAL REDEMPTION SECTION CONTAINED IN THE OFFICIAL NOTICE OF SALE FOR THE KING COUNTY, WASH., \$116.825 MILLION LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 1993 SERIES B, WAS INCORRECT.

BONDS MATURING THROUGH JAN. 1, 2004, 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 JAN. 1, 2005, BEGINNING JAN. 1, 2004 AT PAR PLUS ACCRUED INTEREST.

THE BONDS MAY BE REDEEMED AS A WHOLE AT ANY TIME OR IN PART ON ANY INTEREST PAYMENT DATE, WITH 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).

9178

**REVISION TO THE OFFICIAL NOTICE OF BOND SALE: KING
COUNTY, WASHINGTON, \$116,825,000 LIMITED TAX GENERAL
OBLIGATION AND REFUNDING BONDS (VARIOUS PURPOSE), 1993
SERIES B AND \$181,860,000 UNLIMITED TAX GENERAL
OBLIGATION REFUNDING BONDS, 1993 SERIES C,
COMMUNICATED TO POTENTIAL BIDDERS VIA MUNIFACTS ON
DECEMBER 6, 1993 AT 6:00 A.M. P.S.T.**

REVISION TO \$298.685 MIL KING CO. WASH., NOTICE OF SALE: RESEND 12/06 09:00

--RESENDING TO CORRECT SERIES C AMOUNT--

NY (MFX)--THERE HAS BEEN A REVISION TO THE OFFICIAL NOTICE OF SALE FOR THE KING COUNTY, WASH., \$116.825 MILLION LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 1993 SERIES B, AND THE \$181.86 MILLION UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 1993 SERIES C.

THE PROVISION RELATING TO THE ADJUSTMENT OF PRINCIPAL AMOUNTS AND BID PRICE SECTION SHOULD READ:

"NO SINGLE PRELIMINARY PRINCIPAL AMOUNT OF ANY MATURITY WILL BE INCREASED OR DECREASED BY MORE THAN \$500,000."

THE ISSUES ARE SCHEDULED FOR SALE TODAY AT 10 A.M., PST.

mfx