

1 December 8, 1997

2
3 INTRODUCED BY: Chris Vance

4
5 PROPOSED NO. 97-664

6
7
8 MOTION NO. **10359**

9
10 A MOTION of the county council accepting a bid for the
11 purchase of the county's Limited Tax General Obligation
12 Bonds (Various Purpose), 1997 Series G, in the aggregate
13 principal amount of \$73,350,000, and fixing the interest
14 rates and other terms of such bonds, all in accordance with
15 Ordinance No. 12909 of the county.

16 WHEREAS, the county council by Ordinance No. 12909 passed November 3, 1997
17 (the "Bond Ordinance"), authorized the issuance and sale of the county's limited tax general
18 obligation bonds in the aggregate principal amount of not to exceed \$79,000,000 for the
19 purpose of financing various projects set forth in the Bond Ordinance (the "Bonds"); and

20 WHEREAS, the Bond Ordinance provided that the Bonds be sold at public sale in such
21 series as determined by the finance director in consultation with the county's financial advisors;
22 and

23 WHEREAS, the finance director has determined that the Bonds be sold in a single
24 series, designated as provided herein; and

25 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated
26 November 5, 1997 has been prepared for the public sale of the Bonds, the official notice of
27 such sale (the "Notice") has been duly published, and bids have been received in accordance
28 with the Notice; and

29 WHEREAS, the attached bid of Smith Barney Inc. ("Smith Barney") to purchase the
30 Bonds is the best bid received for such bonds, and it is in the best interest of the county that
31 such bonds be sold to Smith Barney on the terms set forth in the Notice, the attached bid, the
32 Bond Ordinance and this motion; and

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

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

4 "Series G Bonds" means the county's Limited Tax General Obligation Bonds (Various
5 Purpose), 1997 Series G, authorized to be issued pursuant to the Bond Ordinance and this
6 motion.

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

8 The issuance of the Bonds in a series designated as the county's Limited Tax General
9 Obligation Bonds (Various Purpose), 1997 Series G, in the aggregate principal amount of
10 \$73,350,000, and the terms and conditions thereof set forth in the Official Notice of Bond Sale,
11 attached hereto as Exhibit A (the "Notice"), are hereby ratified and confirmed, and the bid to
12 purchase the Bonds, as set forth in the purchaser's bid attached hereto as Exhibit B, are hereby
13 accepted. The Bonds shall bear interest at the rates set forth on Exhibit B and shall conform in
14 all other respects to the terms and conditions specified in the Notice and Bond Ordinance.

15 The Bonds shall be subject to optional redemption as set forth in the Notice.

16 C. Undertaking to Provide Ongoing Disclosure.

17 1. Contract/Undertaking. This Section C constitutes the county's written
18 undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by
19 Section (b)(5) of the Rule.

20 2. Financial Statements/Operating Data. The county agrees to provide or
21 cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the
22 Commission in accordance with the Rule, the following annual financial information and
23 operating data for the prior fiscal year (commencing in 1998 for the fiscal year ended
24 December 31, 1997):

25 (a) Annual financial statements prepared in accordance with the
26 Budget Accounting and Reporting System prescribed by the Washington State Auditor

1 pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the
 2 official statement for the Bonds under the heading "Appendix BA: Audited 1996 Financial
 3 Statements";

- 4 (b) The assessed valuation of taxable property in the county;
 5 (c) Property taxes due, property taxes collected and property taxes
 6 delinquent;
 7 (d) Property tax levy rate per \$1,000 of assessed valuation; and
 8 (e) Outstanding general obligation debt of the county.

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

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

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

- 24 (a) Principal and interest payment delinquencies;
 25 (b) Non-payment related defaults;

- 1 (c) Unscheduled draws on debt service reserves reflecting financial
 2 difficulties;
- 3 (d) Unscheduled draws on credit enhancements reflecting financial
 4 difficulties;
- 5 (e) Substitution of credit or liquidity providers, or their failure to
 6 perform;
- 7 (f) Adverse tax opinions or events affecting the tax-exempt status of
 8 the Bonds;
- 9 (g) Modifications to rights of Bond holders;
- 10 (h) Optional, contingent or unscheduled calls of any Bonds other
 11 than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act
 12 Release 34-23856;
- 13 (i) Defeasances;
- 14 (j) Release, substitution or sale of property securing repayment of
 15 the Bonds; and
- 16 (k) Rating changes.

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

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

24 5. Termination/Modification. The county's obligations to provide annual
 25 financial information and notices of material events shall terminate upon the legal defeasance,
 26 prior redemption or payment in full of all of the Bonds. This section, or any provision hereof,

1 shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel
2 to the effect that those portions of the Rule which require this section, or any such provision,
3 are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and
4 (ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the
5 cancellation of this section.

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

9 In the event of any amendment or waiver of a provision of this Section C, the county
10 shall describe such amendment in the next annual report, and shall include, as applicable, a
11 narrative explanation of the reason for the amendment or waiver and its impact on the type (or
12 in the case of a change of accounting principles, on the presentation) of financial information or
13 operating data being presented by the county. In addition, if the amendment relates to the
14 accounting principles to be followed in preparing financial statements, (i) notice of such change
15 shall be given in the same manner as for a material event under subsection 3, and (ii) the annual
16 report for the year in which the change is made should present a comparison (in narrative form
17 and also, if feasible, in quantitative form) between the financial statements as prepared on the
18 basis of the new accounting principles and those prepared on the basis of the former accounting
19 principles.

20 6. Bond Owner's Remedies Under This Section. The right of any Bond
21 Owner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited
22 to a right to obtain specific enforcement of the county's obligations hereunder, and any failure
23 by the county to comply with the provisions of this undertaking shall not be an event of default
24 with respect to the Bonds hereunder. For purposes of this section, "Beneficial Owner" means
25 any person who has the power, directly or indirectly, to vote or consent with respect to, or to

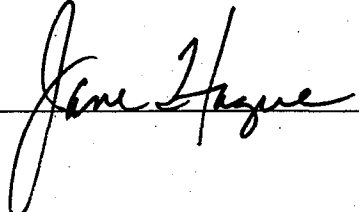
1 dispose of ownership of, any Bonds, including persons holding Bonds through nominees or
2 depositories.

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

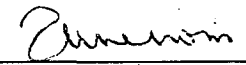
6 F. Severability. The covenants contained in this motion shall constitute a contract
7 between the county and the owners of each and every Bond. If any one or more of the
8 covenants or agreements provided in this motion to be performed on the part of the county
9 shall be declared by any court of competent jurisdiction to be contrary to law, then such
10 covenant or covenants, agreement or agreements, shall be null and void and shall be deemed
11 separable from the remaining covenants and agreements of this motion and shall in no way
12 affect the validity of the other provisions of this motion or of the Bonds.

13 PASSED by a vote of 12 to 1 this 8th day of
14 December, 1997.

15 KING COUNTY COUNCIL
16 KING COUNTY, WASHINGTON

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Chair 

ATTEST:


Clerk of the Council

Attachments: Exhibit A - Official Notice of Bond Sale
Exhibit B - Winning Bid for the Bonds

EXHIBIT A
Official Notice of Bond Sale

103594

\$75,385,000*
King County, Washington
Limited Tax General Obligation Bonds (Various Purpose), 1997 Series G

Sealed bids for the above-referenced bonds (the "Series G Bonds") of King County, Washington (the "County") will be received at the County's Purchasing Office, Room 620, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, until 9:00 a.m., Pacific time, on

December 8, 1997

or on such later date or time as may be established by the King County Finance Director (the "Finance Director") 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 Series G Bonds. All bids received with respect to the Series G Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

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

Description of the Series G Bonds

Bond Details

The Series G Bonds will be dated December 1, 1997. Interest on the Series G Bonds will be payable on June 1, 1998 and semiannually thereafter on each December 1 and June 1.

Registration and Book-Entry Only System

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

Election of Maturities

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

* Preliminary, subject to change

| <u>Serial Maturity or Amortization Installment</u> | <u>Principal Amount</u> | <u>Serial Maturity or Amortization Installment</u> | <u>Principal Amount</u> |
|--|-----------------------------|--|-----------------------------|
| 1998 | \$ 4,160,000 | 2008 | \$ 1,690,000 |
| 1999 | 4,600,000 | 2009 | 1,775,000 |
| 2000 | 4,980,000 | 2010 | 1,875,000 |
| 2001 | 5,200,000 | 2011 | 1,975,000 |
| 2002 | 5,420,000 | 2012 | 2,090,000 |
| 2003 | 5,315,000 | 2013 | 2,210,000 |
| 2004 | 5,555,000 | 2014 | 2,340,000 |
| 2005 | 5,825,000 | 2015 | 2,475,000 |
| 2006 | 6,110,000 | 2016 | 2,620,000 |
| 2007 | 6,395,000 | 2017 | 2,775,000 |

The County will deposit certain money as provided in the Ordinance and will retire the Series G Bonds by purchase or redemption on or before December 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

Adjustment of Principal Amounts and Bid Price

The County has reserved the right to increase or decrease the preliminary principal amount of the Series G Bonds by an amount not to exceed ten percent (10%) following the opening of the bids. No single preliminary principal amount of any maturity will be increased or decreased by more than ten percent (10%). 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 and maturity schedule within 24 hours of the bid opening.

Optional Redemption

The County has reserved the right to redeem outstanding Series G Bonds maturing on or after December 1, 2008, in whole or in part at any time, on or after December 1, 2007, maturities to be redeemed to be selected by the County (by lot within a maturity, in increments of \$5,000, with the manner of selection to be chosen by the Registrar), at par plus accrued interest to the date of redemption. So long as the Series G Bonds are in book-entry form, the selection of Series G Bonds within a maturity to be redeemed and the manner of providing notice of redemption to Beneficial Owners shall be governed by the operational arrangements of DTC, as then in effect.

Security

The Series G Bonds are general obligations of the County. The County has pledged to include in its budget and to levy an *ad valorem* tax annually, within the constitutional and statutory limitations provided by law without a vote of the electors of the County, on all property in the County subject to taxation in an amount sufficient, together with other money legally available, and to be used therefor, to pay the principal of and interest on the Series G Bonds as the same will come due. The County has covenanted to levy such taxes at not less than the maximum rate permitted by statute at the time such Series G Bonds are issued. The full faith, credit, taxing power and resources of the County have been pledged irrevocably for the annual levy and collection of these taxes and the prompt payment of that principal and interest.

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

Interest Rates and Bidding Information

Bids must be submitted on the Official Bid Form that is contained in the Preliminary Official Statement, or on photocopies of such form.

Bidders are invited to submit bids for the purchase of the Series G Bonds fixing the interest rate or rates that the Series G Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of 1 percent, or both.

No more than one rate of interest may be fixed for any one maturity. The interest rate for any maturity of the Series G Bonds shall not be less than the interest rate stated for any earlier maturity. No bid will be considered for the Series G Bonds for less than an amount equal to 99 percent of par plus accrued interest or for less than the entire offering of Series G Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Series G Bonds.

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 Series G Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Series G Bonds.

The County strongly encourages the inclusion of women and minority business enterprise firms in bidding syndicates. Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours of submitting their bids.

Issue Price Information

Upon award of the Series G Bonds, the successful bidder shall advise the County and Bond Counsel of the initial reoffering prices to the public of each maturity of the Series G Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Series G 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 Series G Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries), (c) stating the prices at which a substantial amount of each maturity of the Series G Bonds was sold to the public (excluding bond houses, brokers, and other intermediaries), (d) stating the price at which any Series G Bonds that remain unsold at the date of closing would have been sold on the date the Series G Bonds were awarded, and (e) the offering price of each Bond sold to institutional or other investors at discount.

Interest Rates and Bidding Information

Bids must be submitted on the Official Bid Form that is contained in the Preliminary Official Statement, or on photocopies of such form.

Bidders are invited to submit bids for the purchase of the Series G Bonds fixing the interest rate or rates that the Series G Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of 1 percent, or both. No more than one rate of interest may be fixed for any one maturity. The interest rate for any maturity of the Series G Bonds shall not be less than the interest rate stated for any earlier maturity. No bid will be considered for the Series G Bonds for less than an amount equal to 99 percent of par plus accrued interest or for less than the entire offering of Series G Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Series G Bonds.

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 Series G Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Series G Bonds.

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Issue Price Information

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the public (excluding bond houses, brokers, and other intermediaries), (c) stating the prices at which a substantial amount of each maturity of the Series G Bonds was sold to the public (excluding bond houses, brokers, and other intermediaries), (d) stating the price at which any Series G Bonds that remain unsold at the date of closing would have been sold on the date the Series G Bonds were awarded, and (e) the offering price of each Bond sold to institutional or other investors at discount.

Bid Deposit

All bids shall be without condition, shall be made only on the Official Bid Form furnished by the County or on photocopies of such form and shall be sealed and accompanied by a good faith deposit in the amount of \$750,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division Manager or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County's Financial Advisor 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 Series G Bonds are awarded to a bidder using a financial surety bond, then that purchaser is required to submit its deposit to the County in the form of a certified or bank cashier's or treasurer's check or wire transfer as instructed by the County not later than 3:30 p.m., Pacific Time, on the next business day following the award. If such deposit is not received by that time, the financial surety bond may be drawn upon by the County to satisfy the deposit requirement. Each good faith deposit in a form other than a financial surety bond shall be returned promptly if the bid is not accepted. The good faith deposit of the successful bidder will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Series G Bonds on the delivery of such Series G Bonds to the successful bidder. Pending delivery of the Series G Bonds, the good faith deposit may be invested for the sole benefit of the County. If the Series G Bonds are ready for delivery and the successful bidder fails to complete the purchase of such Series G Bonds within 50 days following the acceptance of its bid, the good faith deposit will be forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

Award

The Series G 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 will determine by lot which bid will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process, and, if all bids for an offering are rejected, that Bond Offering may be readvertised for sale in the manner provided by law and as provided above. Any bid presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

Insurance

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

Delivery

The County will deliver the Bonds (consisting of one typewritten certificate for each maturity) to DTC in New York, New York, prior to the date of closing. Closing shall occur within 40 days after the sale date.

Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be mid to late December 1997.

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

The approving legal opinion of Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Series G Bonds. Bond counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of the Official Statement, or other offering material relating to the Series G Bonds. Nor will there be an opinion of Bond Counsel expressed relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate will be included in the closing papers of the Series G Bonds.

Ongoing Disclosure Undertaking

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the Sale Motion, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

CUSIP Numbers

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

Official Statement and Other Information

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated December 15, 1996, and further information regarding the details of the Series G Bonds may be obtained upon request to the King County Finance Director, 6th Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7326), or the County's financial advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

The Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the expense of the County, to the purchaser not later than seven business days after the County's acceptance of the purchaser's bid. The County will deliver no more than 250 copies of the final Official Statement. Additional copies will be provided at the purchaser's expense.

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

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

The County will advise the 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 each municipal securities information repository, in which event such period will end on the 25th day.

DATED at Seattle, Washington, this fifth day of November, 1997.

/s/ Anne Noris

Clerk of the Metropolitan King County Council

Official Bid Form

Proposal for the Purchase of \$75,385,000*
King County, Washington
Limited Tax General Obligation Bonds (Various Purpose), 1997 Series G

Finance Director
King County
Seattle, Washington

Dear Sir:

For Seventy Five Million Three Hundred Eighty Five Thousand* (\$75,385,000*) par value Limited Tax General Obligation Bonds (Various Purpose), 1997 Series G (the "Series G Bonds"), of King County, Washington, dated December 1, 1997, described in the attached Official Notice of Bond Sale, which is hereby made a part of this bid, and for all but not less than all of the Series G Bonds, with interest rates per annum on the Series G Bonds maturing on December 1 in the years and amounts set forth in this Official Bid Form as indicated below:

| Year | Amount | Rate | Year | Amount | Rate |
|------|--------------|------|------|--------------|------|
| 1998 | \$ 4,160,000 | 4.50 | 2008 | \$ 1,690,000 | 5.00 |
| 1999 | 4,600,000 | 4.50 | 2009 | 1,775,000 | |
| 2000 | 4,980,000 | 4.50 | 2010 | 1,875,000 | |
| 2001 | 5,200,000 | 5.00 | 2011 | 1,975,000 | |
| 2002 | 5,420,000 | 5.00 | 2012 | 2,090,000 | |
| 2003 | 5,315,000 | | 2013 | 2,210,000 | |
| 2004 | 5,555,000 | | 2014 | 2,340,000 | |
| 2005 | 5,825,000 | | 2015 | 2,475,000 | |
| 2006 | 6,110,000 | | 2016 | 2,620,000 | |
| 2007 | 6,395,000 | | 2017 | 2,775,000 | 5.00 |

We offer to pay the sum of \$ 76,704,876.95 together with accrued interest, if any, to the date of delivery.

The amortization installments indicated below, if any, shall be applied for mandatory redemption of Term Bonds due December 1, of the following year(s) and bearing interest as follows:

Years _____ to and including _____ will be due on December 1, _____.

Years _____ to and including _____ will be due on December 1, _____.

Years _____ to and including _____ will be due on December 1, _____.

In accordance with the terms of the Official Notice of Bond Sale, a good faith deposit in the amount of \$750,000 has been provided in the form of either a certified or bank cashier's check or a financial surety bond, each payable to the order of King County. The good faith deposit is to be applied in accordance with the terms of the Official Notice of Bond Sale if the Series G Bonds are awarded to us. If the Series G Bonds are not awarded to us and a check has been submitted,

* Preliminary, subject to change

10359

such check is to be returned to us. If the Series G Bonds are not awarded to us and we provided the good faith deposit in the form of a surety bond, neither we nor the County have any further obligations with respect to the surety bond.

This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale which is incorporated herein by reference and made a part of this bid.

If our proposal to purchase the Series G Bonds is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is Gary Pearson at the following telephone number: 212-723-7095.

Very truly yours,

Gerard Baker 212-723-7093

Return of the good faith deposit in the amount of \$750,000 is hereby acknowledged

Representing: Smith Barney Inc
For: Please see attached

Representing: _____

(Please provide a list of the managers and account members of your bidding group.)

Note: Not a part of the Proposal

Estimated true interest cost 4.71 %