



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

April 19, 2004

Motion 11902

Proposed No. 2004-0092.2

Sponsors Gossett

1 A MOTION of the county council approving a bid
2 for the county's Unlimited Tax General Obligation
3 Bonds, 2004 (Harborview Medical Center), in the
4 aggregate principal amount of \$110,000,000 and
5 establishing certain terms of such bonds, all in
6 accordance with Ordinance 14857.

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WHEREAS, the county council by Ordinance 14857 passed on March 29, 2004
(the "Bond Ordinance"), authorized the issuance and sale of unlimited tax general
obligation bonds of the county in the aggregate principal amount of \$164,000,000 to
finance a portion of the costs of certain capital improvements to facilities of Harborview
Medical Center, as authorized by Ordinance 13896 of the County and approved by the
qualified electors of the County at the September 19, 2000 election; and

WHEREAS, the Bond Ordinance provided that such bonds be sold in one or more
series and by negotiated sale or competitive bid as determined by the county's director of

17 finance and business operations division (the "Finance Director") in consultation with the
18 county's financial advisors; and

19 WHEREAS, the Finance Director has determined that such bonds be sold by
20 competitive bid in a series of bonds to be designated as the county's Unlimited Tax
21 General Obligation Bonds, 2004 (Harborview Medical Center), in the aggregate principal
22 amount of \$110,000,000 (the "Bonds"); and

23 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement
24 dated April 13, 2004, has been prepared for the sale of the Bonds, the Official Notice of
25 Bond Sale (the "Notice") has been published, and bids have been received in accordance
26 with the Notice; and

27 WHEREAS, the attached bid of Merrill Lynch & Co. (the "Purchaser") to
28 purchase the Bonds is the best bid received for such bonds, and it is in the best interest of
29 the county that the Bonds be sold to the Purchaser on the terms set forth in the Notice, the
30 attached bid, the Bond Ordinance, and this motion; and

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

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

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

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

37 The issuance of the Bonds, designated as set forth in the recitals of this motion, and the
38 terms and conditions thereof as set forth in the Official Notice of Bond Sale, attached
39 hereto as Attachment A (the "Notice"), are hereby ratified and confirmed, and

40 Purchaser's bid to purchase the Bonds, as set forth on Attachment B (the "Bid"), is
41 hereby accepted. The Bonds shall bear interest at the rates set forth in the Bid and shall
42 conform in all other respects to the terms and conditions specified in the Notice, Bid and
43 Bond Ordinance. The Bonds shall be subject to optional redemption as set forth in the
44 Notice and Bid.

45 In accordance with the Bid, the council hereby recognizes that the Purchaser has
46 obtained a commitment from Ambac Assurance Corporation (the "Insurer") to provide a
47 municipal bond insurance policy guaranteeing the scheduled payment of principal of and
48 interest on the Bonds (the "Bond Insurance Policy"). The council authorizes and directs
49 all proper officers, agents, attorneys and employees of the county to cooperate with the
50 Insurer in preparing such additional agreements, certificates, and other documentation on
51 behalf of the county as shall be necessary or advisable in providing for the Bond
52 Insurance Policy.

53 C. Undertaking to Provide Ongoing Disclosure.

54 1. Contract/Undertaking. In accordance with Section 17 of the Bond Ordinance,
55 this Section C constitutes the county's written undertaking for the benefit of the owners
56 and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

57 2. Financial Statements/Operating Data. The county agrees to provide or cause
58 to be provided to each NRMSIR and to the SID, if any, in each case as designated by the
59 Commission in accordance with the Rule, the following annual financial information and
60 operating data for the prior fiscal year (commencing in 2004 for the fiscal year ended
61 December 31, 2003):

62 (a) Annual financial statements prepared in accordance with the Budget
63 Accounting and Reporting System prescribed by the Washington State Auditor pursuant
64 to RCW 43.09.200 (or any successor statute) and generally of the type included in the
65 official statement for the Bonds under the heading "Appendix B: Audited 2002 Financial
66 Statements";

67 (b) A summary of the assessed value of taxable property in the county;

68 (c) A summary of budgeted General Fund revenues and appropriations;

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

71 and

72 (e) A summary of outstanding tax-supported indebtedness of the county; and

73 (f) A schedule of the aggregate annual debt service on tax-supported
74 indebtedness of the county.

75 Items (b) through (f) shall be required only to the extent that such information is
76 not included in the annual financial statements.

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

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

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

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

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

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

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

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

127 In the event of any amendment or waiver of a provision of this Section C, the
128 county shall describe such amendment in the next annual report, and shall include, as
129 applicable, a narrative explanation of the reason for the amendment or waiver and its
130 impact on the type (or in the case of a change of accounting principles, on the

131 presentation) of financial information or operating data being presented by the county. In
132 addition, if the amendment relates to the accounting principles to be followed in
133 preparing financial statements, (i) notice of such change shall be given in the same
134 manner as for a material event under subsection 3, and (ii) the annual report for the year
135 in which the change is made should present a comparison (in narrative form and also, if
136 feasible, in quantitative form) between the financial statements as prepared on the basis
137 of the new accounting principles and those prepared on the basis of the former accounting
138 principles.

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

147 7. Prior Compliance. The county has entered into written undertakings under
148 the Rule with respect to all of its obligations subject thereto and is in compliance with all
149 such undertakings.

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

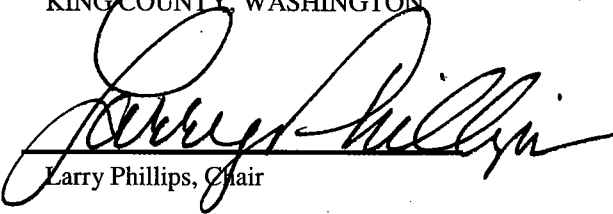
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154 E. Severability. If any provision in this motion is declared by any court of
155 competent jurisdiction to be contrary to law, then such provision shall be null and void
156 and shall be deemed separable from the remaining provisions of this motion and shall in
157 no way affect the validity of the other provisions of this motion or of the Bonds.
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Motion 11902 was introduced on 2/23/2004 and passed by the Metropolitan King County Council on 4/19/2004, by the following vote:

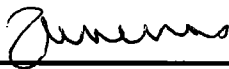
Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Notice of Bond Sale Preliminary Official Statement Dated April 13, 2004, B. Merrill Lynch & Co. - New York, NY's Bid King County \$110,000,000 Unlimited Tax General Obligation Bonds, 2004 (Harborview Medical Center)

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 13, 2004

SALE DATE: APRIL 19, 2004
SALE TIME: 9:00 A.M., PACIFIC TIME

ATTACHMENT A

New Issue
Book-Entry Only

Moody's Rating: ___
Standard & Poor's Rating: ___
(See "Other Bond Information—Ratings.")

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income subject to federal income taxation pursuant to the Internal Revenue Code of 1986, as amended, subject to certain conditions and assumptions described under "Legal and Tax Information—Tax Exemption for the Bonds." The Bonds are not private activity bonds. Interest on the Bonds is included in the computation of certain federal taxes on corporations.

\$110,000,000

KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2004
(HARBORVIEW MEDICAL CENTER)

DATED: Date of Delivery

DUE: December 1, as shown on inside cover

The Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as Bond owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be issued initially in book-entry form only in the value of \$5,000 or any integral multiple thereof within a single maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning December 1, 2004, to maturity or earlier redemption of the Bonds. The principal of and interest on the Bonds are payable by the fiscal agency of the State of Washington, currently The Bank of New York in New York, New York (the "Bond Registrar"). For so long as the Bonds remain in a "book-entry only" transfer system, the Bond Registrar will make such payments only to DTC, which, in turn, is obligated to remit such principal and interest to the DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds as described herein under Appendix E—Book-Entry System.

The Bonds are subject to optional redemption as described herein under "Redemption of the Bonds."

MATURITY SCHEDULE ON INSIDE COVER

The Bonds are being issued to provide funds for seismic and public health and safety improvements for Harborview Medical Center and the King County Medical Examiner's Office and to pay the costs of issuance of the Bonds.

The Bonds are general obligations of King County, Washington. The County irrevocably covenants, for as long as any of the Bonds are outstanding and unpaid, to include in its budget each year and make an annual levy of taxes without limitation as to rate or amount on all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The full faith, credit and resources of the County are pledged irrevocably for the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued, subject to approval of legality by Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, and certain other conditions. A form of Bond Counsel's opinion is attached hereto as Appendix A. It is anticipated that the Bonds will be ready for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about May 4, 2004.

Dated:

This is a Preliminary Official Statement, subject to correction and change. The County has authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Notes, the County will complete and deliver an Official Statement substantially in this form.

119024

OFFICIAL NOTICE OF BOND SALE

\$110,000,000

KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2004
(HARBORVIEW MEDICAL CENTER)

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

9:00 A.M., PACIFIC TIME, ON APRIL 19, 2004,

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

Bids must be submitted either:

- (i) In a sealed envelope to the Finance Director as described above; or
- (ii) Electronically via *PARITY* in accordance with its Rules of Participation and this notice, between 8:30 a.m. and 9:00 a.m., Pacific time, but no bid will be received after the time for receiving bids specified above. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile transmission to the Finance Director at (206) 296-7345. For further information about *PARITY*, potential bidders may contact the County's financial advisors, Hattori & Associates, LLC, at (206) 524-4665, or Seattle-Northwest Securities, at (206) 628-2882, or *PARITY* at (212) 806-8304.

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

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

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

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated April 13, 2004, and further information regarding the details of the 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) 296-7345), or the County's financial advisors, Hattori & Associates, LLC, 6837 17th Avenue Northeast, Seattle, Washington 98115 (telephone: (206) 524-4665), and Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

Description of the Bonds

The Bonds will be dated the date of their initial delivery. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning on December 1, 2004, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on or after December 1, 2014, in whole or in part at any time on or after June 1, 2014, at the price of par plus accrued interest, if any, to the date of redemption.

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

Election of Maturities

The bidder for the Bonds shall designate whether the principal amounts of the Bonds as set forth below shall be retired on 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.

<u>Serial Maturity or Amortization Installment</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts</u>
2005	\$ 2,825,000	2015	\$ 5,695,000
2006	3,020,000	2016	6,165,000
2007	3,235,000	2017	6,660,000
2008	3,465,000	2018	7,185,000
2009	3,715,000	2019	7,740,000
2010	3,990,000	2020	8,325,000
2011	4,285,000	2021	8,950,000
2012	4,600,000	2022	9,605,000
2013	4,940,000	2023	10,295,000
2014	5,305,000		

The County will deposit certain money as provided in the Ordinance and will retire the 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.

Security

The Bonds are general obligations of King County, Washington. The County irrevocably covenants, for as long as any of the Bonds are outstanding and unpaid, to include in its budget each year and make an annual levy of taxes without limitation as to rate or amount on all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The full faith, credit and resources of the County are pledged irrevocably for the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

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

Bidding Information

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

No bid will be considered for the Bonds that is less than an amount equal to 100.25 percent of the par value of the Bonds nor more than an amount equal to 104 percent of the par value of the Bonds, or for less than the entire offering of the Bonds. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity. For the purpose of the preceding sentence, "price" shall be defined as the lesser of the price at the redemption date or the price at the maturity date.

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

Good Faith Deposit

All bids shall be accompanied by a good faith deposit in the amount of \$1,100,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division Manager or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County's Financial Advisors prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

If the Bonds are awarded to a bidder using a financial surety bond, then that purchaser is required to submit its deposit to the County in the form of a certified or bank cashier's or treasurer's check or wire transfer as instructed by the County not later than 3:30 p.m., Pacific Time, on the next business day following the award. If such deposit is not received by that time, the financial surety bond may be drawn upon by the County to satisfy the deposit requirement. Each good faith deposit in a form other than a financial surety bond shall be returned promptly if the bid is not accepted. The good faith deposit of the successful bidder of the Bonds will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Bonds on the delivery of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the County.

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

Insurance

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

Award

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

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

Issue Price Information

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

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries),

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

Delivery

The County will deliver the Bonds (consisting of one word-processed certificate for each maturity of the Bonds) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be May 4, 2004.

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

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

CUSIP Numbers

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

Ongoing Disclosure Undertaking

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

11902

Official Statement

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

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

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

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

DATED at Seattle, Washington, this thirteenth day of April, 2004.

/s/

Clerk of the Metropolitan King County Council

11902

OFFICIAL BID FORM

\$110,000,000

KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2004
(HARBORVIEW MEDICAL CENTER)

Finance Director
King County
Seattle, Washington

Dear Sir:

For the above-referenced bonds (the "Bonds"), 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 Bonds, with interest rates per annum on the Bonds maturing on December 1 in the years and amounts set forth in this Official Bid Form as indicated below:

<u>Years</u>	<u>Amounts</u>	<u>Rates</u>	<u>Years</u>	<u>Amounts</u>	<u>Rates</u>
2005	\$ 2,825,000		2015	\$ 5,695,000	
2006	3,020,000		2016	6,165,000	
2007	3,235,000		2017	6,660,000	
2008	3,465,000		2018	7,185,000	
2009	3,715,000		2019	7,740,000	
2010	3,990,000		2020	8,325,000	
2011	4,285,000		2021	8,950,000	
2012	4,600,000		2022	9,605,000	
2013	4,940,000		2023	10,295,000	
2014	5,305,000				

we offer to pay the sum of \$ _____
(must be no less than \$110,275,000 and no more than \$114,400,000).

In accordance with the terms of the Official Notice of Bond Sale, a good faith deposit in the amount of \$1,100,000 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 Bonds are awarded to us. If the Bonds are not awarded to us and a check has been submitted, such check is to be returned to us. If the 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.

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We hereby specify that a portion of the Bonds be aggregated into Term Bonds maturing on December 1 in the following years and in the following amounts (leave blank if no Term Bonds are specified):

Years Aggregated	Maturity Year	Amount
20__ through 20__	_____	_____
20__ through 20__	_____	_____
20__ through 20__	_____	_____

If our proposal to purchase the Bonds is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is _____ at the following telephone number: _____.

Very truly yours,

Representing: _____

For: _____

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

Estimated true interest cost _____% (not a part of the proposal).

ATTACHMENT B

Merrill Lynch & Co. - New York, NY's Bid

King County

**\$110,000,000 Unlimited Tax General Obligation
Bonds, 2004 (Harborview Medical Center)**

11902

For the aggregate principal amount of \$110,000,000.00, we will pay you \$114,400,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
12/01/2005	2,825M	2.0000
12/01/2006	3,020M	3.0000
12/01/2007	3,235M	4.0000
12/01/2008	3,465M	4.0000
12/01/2009	3,715M	4.0000
12/01/2010	3,990M	4.0000
12/01/2011	4,285M	4.0000
12/01/2012	4,600M	5.0000
12/01/2013	4,940M	5.0000
12/01/2014	5,305M	5.0000
12/01/2015	5,695M	5.0000
12/01/2016	6,165M	5.0000
12/01/2017	6,660M	4.2500
12/01/2018	7,185M	4.2500
12/01/2019	7,740M	5.0000
12/01/2020	8,325M	5.0000
12/01/2021	8,950M	5.0000
12/01/2022	9,605M	5.0000
12/01/2023	10,295M	5.0000

Total Interest Cost:	\$66,991,289.69
Premium:	\$4,400,000.00
Net Interest Cost:	\$62,591,289.69
TIC:	4.347291

Time Last Bid Received On:04/19/2004 8:59:10 PDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Merrill Lynch & Co., New York, NY
Contact: Paul Kuhns
Title: Managing Director
Telephone:212-449-5081
Fax: 212-449-3733

11902

Issuer
Name: King County

Company
Name: _____

Accepted
By: _____

Accepted
By: _____

Date: _____

Date: _____