



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 21, 2004**

**Motion 12004**

**Proposed No.** 2004-0344.2

**Sponsors** Gossett

1           A MOTION of the county council accepting a bid for the  
2           purchase of the county's Limited Tax General Obligation  
3           Bonds, 2004, Series B in the aggregate principal amount of  
4           \$82,435,000, and fixing the interest rates and other terms of  
5           such Bonds, all in accordance with Ordinance 14167, as  
6           amended by Ordinance 14463, Ordinance 14745 and  
7           Ordinance 14992.

8  
9  
10           WHEREAS, pursuant to Ordinance 14167, the county council authorized the  
11           issuance of one or more series of its limited tax general obligation bonds in an  
12           outstanding aggregate principal amount not to exceed \$125,000,000 to provide long-term  
13           financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project  
14           and the Regional Communications and Emergency Control Center Project, each defined  
15           and described in Ordinance 14167, and further authorized the issuance and public sale of  
16           one or more series of its limited tax general obligation bond anticipation notes in an

17 outstanding aggregate principal amount not to exceed \$125,000,000 to provide interim  
18 financing for such projects pending the issuance of the bonds, and

19 WHEREAS, pursuant to Ordinance 14463, the county council amended  
20 Ordinance 14167 to revise the description of the North Rehabilitation Facility Project and  
21 to augment the projects authorized to be financed, on a long-term basis, by such bonds,  
22 and pending the sale of such bonds, on an interim basis, by such bond anticipation notes  
23 by the addition of the Courthouse Earthquake Repairs, all as defined and described in  
24 Ordinance 14463, and

25 WHEREAS, pursuant to Ordinance 14745, the county council amended  
26 Ordinance 14167, as previously amended by Ordinance 14463, to change the name of the  
27 Regional Communications and Emergency Control Center Project to the Kent Pullen  
28 Regional Communications and Emergency Coordination Center Project; to add the  
29 Integrated Security and Jail Health Remodel Project to the list of projects that are  
30 authorized to be financed, on a long-term basis, by such bonds, and pending the sale of  
31 such bonds, on an interim basis, by such bond anticipation notes, and increase the  
32 maximum outstanding aggregate principal amount of such bonds and bond anticipation  
33 notes to \$145,000,000 as a result; and also to amend certain provisions of Ordinance  
34 14167, as previously amended by Ordinance 14463, pertaining to such bonds and bond  
35 anticipation notes, and

36 WHEREAS, pursuant to Ordinance 14992, the county council amended  
37 Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, to  
38 add the Courthouse Lobby Project and the Jail ITR Remodel Project to the list of projects  
39 that are authorized to be financed, on a long-term basis, by such bonds, and pending the

40 sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the  
41 maximum outstanding aggregate principal amount of such bonds and bond anticipation  
42 notes to \$150,000,000 as a result; and amend certain provisions of Ordinance 14167, as  
43 previously amended by Ordinance 14463 and Ordinance 14745 (as so amended, the  
44 "Bond Ordinance"), pertaining to such bonds and bond anticipation notes, and

45 WHEREAS, the Bond Ordinance provided that such bonds may be publicly sold  
46 in one or more series, any of which may be sold in a combined offering with other bonds  
47 of the county, either by negotiated sale or by competitive bid, as determined by the  
48 Finance Director in consultation with the county's financial advisors, and

49 WHEREAS, the Finance Director has determined, in consultation with the  
50 county's financial advisors, that a series of the bonds authorized pursuant to the Bond  
51 Ordinance, to be designated as the county's Limited Tax General Obligation Bonds, 2004,  
52 Series B (the "Bonds"), be sold by competitive bid as provided herein, and

53 WHEREAS, currently, \$26,795,000 in aggregate principal amount of the bonds  
54 authorized by the Bond Ordinance are outstanding. Currently, \$80,000,000 in aggregate  
55 principal amount of the bond anticipation notes authorized by the Bond Ordinance are  
56 outstanding, all of which will be repaid and retired with proceeds of the Bonds. The  
57 aggregate principal amount of all bonds (including the Bonds) to be outstanding on the  
58 date of issuance of the Bonds will be \$109,230,000, which amount does not exceed the  
59 remainder of \$150,000,000 less the aggregate principal amount of all bond anticipation  
60 notes authorized by the Bond Ordinance to be outstanding on the date of issuance of the  
61 Bonds, and

62 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
63 dated September 14, 2004, has been prepared for the public sale of the Bonds, the official  
64 Notice of such sale (the "Notice") has been duly published, and bids have been received  
65 in accordance with the Notice, and

66 WHEREAS, the attached bid of Wachovia Bank, National Association to  
67 purchase the Bonds is the best bid received, and it is in the best interest of the county that  
68 the Bonds be sold to Wachovia Bank, National Association on the terms set forth in the  
69 Notice, the attached bid, the Bond Ordinance and this motion;

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

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

73 B. Ratification of Notice of Sale, Acceptance of Bid, and Authorization of  
74 Bonds. The issuance of the Bonds, designated as the county's Limited Tax General  
75 Obligation Bonds, 2004, Series B, in the aggregate principal amount of \$82,435,000 and  
76 the terms and conditions thereof, as set forth in the Notice attached hereto as Exhibit A,  
77 are hereby ratified and confirmed. The offer to purchase the Bonds, as set forth in the bid  
78 of Wachovia Bank, National Association attached hereto as Exhibit B, which shall be  
79 deemed to be adjusted to reflect the changed total par amount of the Bonds and the  
80 changed principal amounts of all of the maturities thereof, as and to the extent permitted  
81 by the Notice, is hereby accepted. The Bonds shall be dated their date of issue and  
82 delivery, and shall be subject to optional redemption as set forth in the Notice. The  
83 Bonds shall mature or be subject to mandatory redemption, as applicable, on the dates in  
84 each of the years and in the amounts, and shall bear interest at the rates and payable on

85 the dates specified in Exhibit C hereto. In all other respects, the Bonds shall conform to  
86 the terms and conditions specified in the Notice and Bond Ordinance, which terms are  
87 hereby ratified and confirmed.

88 C. Application of Bond Proceeds. All of the proceeds of the Bonds shall be  
89 applied to provide long-term financing for part of the costs of the Courthouse Seismic  
90 Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the  
91 Integrated Security and Jail Health Remodel Project, the Courthouse Lobby Project, the  
92 Jail ITR Remodel Project and the Kent Pullen Regional Communications and Emergency  
93 Coordination Center Project, including the payment of the County's Limited Tax General  
94 Obligation Bond Anticipation Notes, 2003, Series A, issued therefor, capitalized interest,  
95 , and costs and expenses incurred in issuing the Bonds.

96 D. Undertaking to Provide Ongoing Disclosure.

97 1. Contract/Undertaking. This section D constitutes the county's written  
98 undertaking for the benefit of the owners and beneficial owners of the Bonds as required  
99 by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission  
100 (the "commission").

101 2. Financial Statements/Operating Data. The county agrees to provide or cause  
102 to be provided to each nationally recognized municipal securities information repository  
103 ("NRMSIR") and to the state information depository (the "SID"), if any, in each case as  
104 designated by the commission in accordance with the rule, the following annual financial  
105 information and operating data for the prior fiscal year (commencing in 2005 for the  
106 fiscal year ended December 31, 2004):

107 (a) annual financial statements prepared in accordance with the Budget  
108 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor  
109 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type included  
110 in the official statement for the Bonds under the heading "Appendix B: Audited 2003  
111 Financial Statements," which statements will not be audited, except that if and when  
112 audited financial statements are otherwise prepared and available to the county they will  
113 be provided;

114 (b) a summary of the assessed value of taxable property in the county;

115 (c) a summary of budgeted General Fund revenues and appropriations;

116 (d) a summary of *ad valorem* property tax levy rates per \$1,000 of assessed  
117 value and delinquency rates;

118 (e) a summary of outstanding tax-supported indebtedness of the county; and

119 (f) a schedule of the aggregate annual debt service on tax-supported  
120 indebtedness of the county.

121 Items (b) through (f) shall be required only to the extent that such information is  
122 not included in the annual financial statement.

123 Such annual information and operating data described above shall be provided on  
124 or before seven months after the end of the county's fiscal year. The county's fiscal year  
125 currently ends on December 31. The county may adjust such fiscal year by providing  
126 written notice of the change of fiscal year to each then existing NRMSIR and the SID, if  
127 any. In lieu of providing such annual financial information and operating data, the  
128 county may cross-reference to other documents provided to the NRMSIR, the SID or to  
129 the commission, and, if such document is a final official statement within the meaning of

130 the rule, such document will be available from the Municipal Securities Rulemaking  
131 Board (the "MSRB").

132 If not provided as part of the annual financial information discussed above, the  
133 county shall provide the county's audited annual financial statement prepared in  
134 accordance with BARS when and if available to each then existing NRMSIR and the  
135 SID, if any.

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

- 139 (a) principal and interest payment delinquencies;
- 140 (b) non-payment related defaults;
- 141 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 142 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 143 (e) substitution of credit or liquidity providers, or their failure to perform;
- 144 (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 145 (g) modifications to rights of Bondholders;
- 146 (h) optional, contingent or unscheduled calls of any Bonds other than  
147 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act  
148 Release 34-23856;
- 149 (i) defeasances;
- 150 (j) release, substitution or sale of property securing repayment of the Bonds;
- 151 and
- 152 (k) rating changes.

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

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

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

168 Notwithstanding any other provision of this motion, the county may amend this  
169 section D, and any provision of this section D may be waived, with an approving opinion  
170 of nationally recognized bond counsel and in accordance with the rule.

171 In the event of any amendment or waiver of a provision of this section D, the  
172 county shall describe such amendment in the next annual report, and shall include, as  
173 applicable, a narrative explanation of the reason for the amendment or waiver and its  
174 impact on the type (or in the case of a change of accounting principles, on the  
175 presentation) of financial information or operating data being presented by the county. In



176 addition, if the amendment relates to the accounting principles to be followed in  
177 preparing financial statements, (i) notice of such change shall be given in the same  
178 manner as for a material event under subsection 3, and (ii) the annual report for the year  
179 in which the change is made should present a comparison (in narrative form and also, if  
180 feasible, in quantitative form) between the financial statements as prepared on the basis  
181 of the new accounting principles and those prepared on the basis of the former accounting  
182 principles.

183           6. Bond Owner's Remedies under This Section. The right of any Bond owner or  
184 beneficial owner of Bonds to enforce the provisions of this section shall be limited to a  
185 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
186 by the county to comply with the provisions of this undertaking shall not be an event of  
187 default with respect to the Bonds. For purposes of this section, "beneficial owner" means  
188 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
189 to dispose of ownership of, any Bonds, including persons holding Bonds through  
190 nominees or depositories.

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

194           F. Severability. The covenants contained in this motion shall constitute a  
195 contract between the county and the owners of each and every Bond. If any one or more  
196 of the covenants or agreements provided in this motion to be performed on the part of the  
197 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
198 such covenant or covenants, agreement or agreements, shall be null and void and shall be

**Motion 12004**

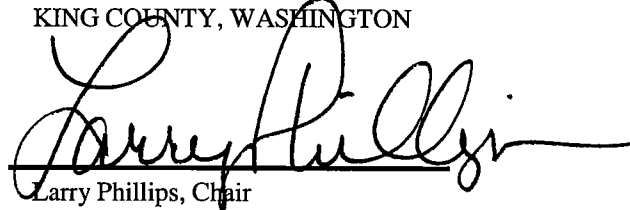
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199 deemed separable from the remaining covenants and agreements of this motion and shall  
200 in no way affect the validity of the other provisions of this motion or of the Bonds.  
201

Motion 12004 was introduced on 7/19/2004 and passed by the Metropolitan King County Council on 9/20/2004, by the following vote:

Yes: 12 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine  
No: 0  
Excused: 1 - Mr. McKenna

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

**Attachments**

A. Exhibit A - Official Notice of Bond Sale, B. Exhibit B Winning Bid - Wachovia Bank, National Association - Charlotte, NC's Bid, C. Exhibit C - \$82,435,000, King County, Washington, Limited Tax General Obligation Bonds, 2004, Series B

# 12004

# ATTACHMENT A

## OFFICIAL NOTICE OF BOND SALE

\$84,770,000\*

### KING COUNTY, WASHINGTON LIMITED TAX GENERAL OBLIGATION BONDS, 2004, SERIES B

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 SEPTEMBER 20, 2004,**

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

Bids must be submitted either:

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

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\* Preliminary, subject to change.

- (vi) Upon acceptance of a bid by the County, this Official Notice of Bond Sale, the Official Bid Form and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

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

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated September 14, 2004, and further information regarding the details of the Bonds may be obtained upon request to the Director of the King County Finance and Business Operations Division, Sixth Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisors, Hattori & Associates, LLC, 6837 17th Avenue Northeast, Seattle, Washington 98115 (telephone: (206) 524-4665), and Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

#### **Description of the Bonds**

The Bonds will be dated the date of their initial delivery to the purchaser thereof. The Bonds bear interest payable semiannually on each January 1 and July 1, beginning July 1, 2005, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on January 1, 2016, in whole or in part at any time on or after January 1, 2015, at the price of par plus accrued interest, if any, to the date of redemption.

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

# 12004

## Election of Maturities

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

<u>Serial Maturity or Amortization Installment</u>	<u>Principal Amounts*</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts*</u>
2006	\$ 1,985,000	2016	\$ 4,135,000
2007	2,975,000	2017	4,340,000
2008	3,065,000	2018	4,560,000
2009	3,160,000	2019	4,785,000
2010	3,250,000	2020	5,025,000
2011	3,385,000	2021	5,280,000
2012	3,520,000	2022	5,540,000
2013	3,660,000	2023	5,820,000
2014	3,805,000	2024	6,110,000
2015	3,955,000	2025	6,415,000

\* Preliminary, subject to change.

The County will retire the Bonds by payment at maturity or by redemption of term bonds on January 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

## Security

The Bonds are general obligations of King County, Washington. The County has irrevocably covenanted, for as long as any of the Bonds are outstanding and unpaid, to include in its budget each year and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people on all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of these taxes and for the prompt payment of this principal and interest.

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

## Bidding Information

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

No bid will be considered for the Bonds that is less than an amount equal to 100 percent of the par value of the Bonds nor more than an amount equal to 105 percent of the par value of the Bonds, or for less than the entire offering of the Bonds. The County reserves the right to increase or decrease the total par amount of the Bonds by ten percent of the total par amount of the Bonds. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by the greater of fifteen percent (15%) of the preliminary principal amount of that maturity or \$400,000.

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 \$800,000. 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 Director of the Finance and Business Operations Division or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County's Financial Advisors prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

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

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

## **Insurance**

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its 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 October 1, 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 Gottlieb, Fisher & Andrews, PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Preliminary Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate of the County will be included in the closing papers of the Bonds.

## **CUSIP Numbers**

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

## **Ongoing Disclosure Undertaking**

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

# 12004

## 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 14th day of September, 2004.

Is/

Clerk of the Metropolitan King County Council



# 12004

# ATTACHMENT B

**Wachovia Bank, National Association - Charlotte,  
NC's Bid**

**King County  
\$84,770,000 Limited Tax General Obligation  
Bonds, 2004, Series B**

For the aggregate principal amount of \$84,770,000.00, we will pay you \$89,001,222.05, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
01/01/2006	1,985M	2.5000
01/01/2007	2,975M	4.0000
01/01/2008	3,065M	4.0000
01/01/2009	3,160M	4.0000
01/01/2010	3,250M	4.0000
01/01/2011	3,385M	4.0000
01/01/2012	3,520M	4.0000
01/01/2013	3,660M	4.5000
01/01/2014	3,805M	5.0000
01/01/2015	3,955M	5.0000
01/01/2016	4,135M	5.0000
01/01/2017	4,340M	5.0000
01/01/2018	4,560M	4.0000
01/01/2019	4,785M	4.0000
01/01/2020	5,025M	5.0000
01/01/2021	5,280M	5.0000
01/01/2022	5,540M	5.0000
01/01/2023	5,820M	5.0000
01/01/2024	6,110M	5.0000
01/01/2025	6,415M	5.0000

Total Interest Cost: \$49,675,568.75  
Premium: \$4,231,222.05  
Net Interest Cost: \$45,444,346.70  
TIC: 4.194380

Time Last Bid Received On:09/20/2004 8:58:37 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: Wachovia Bank, National Association, Charlotte, NC  
Contact: Walker McQuage  
Title: VP  
Telephone:704-374-4442  
Fax: 704-383-0065

**12004**

Issuer  
Name: King County

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

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

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

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

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

12004

ATTACHMENT C

EXHIBIT C

\$82,435,000

KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS, 2004, SERIES B

Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1/1/2006	\$1,820,000	2.500%
1/1/2007	2,805,000	4.000
1/1/2008	2,925,000	4.000
1/1/2009	3,035,000	4.000
1/1/2010	3,160,000	4.000
1/1/2011	3,285,000	4.000
1/1/2012	3,420,000	4.000
1/1/2013	3,555,000	4.500
1/1/2014	3,715,000	5.000
1/1/2015	3,905,000	5.000
1/1/2016	4,095,000	5.000
1/1/2017	4,300,000	5.000
1/1/2018	4,515,000	4.000
1/1/2019	4,685,000	4.000
1/1/2020	4,880,000	5.000
1/1/2021	5,125,000	5.000
1/1/2022	5,385,000	5.000
1/1/2023	5,655,000	5.000
1/1/2024	5,935,000	5.000
1/1/2025	6,235,000	5.000