



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

October 18, 2004

Motion 12029

Proposed No. 2004-0342.2

Sponsors Gossett

1 A MOTION of the county accepting a bid for the purchase
2 of the county's Limited Tax General Obligation Bond
3 Anticipation Notes, 2004, Series A in the aggregate
4 principal amount of \$20,000,000 and fixing the interest
5 rates and other terms thereof in accordance with Ordinance
6 14167, as amended by Ordinance 14463, Ordinance 14745
7 and Ordinance 14992; and accepting a bid for the purchase
8 of the county's Limited Tax General Obligation Bond
9 Anticipation Notes, 2004, Series B in the aggregate
10 principal amount of \$26,370,000 and fixing the interest
11 rates and other terms thereof in accordance with Ordinance
12 14991.

13
14

15 WHEREAS, pursuant to Ordinance 14167, the county council authorized the
16 issuance of one or more series of its limited tax general obligation bonds in an
17 outstanding aggregate principal amount not to exceed \$125,000,000 to provide long-term

18 financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project
19 and the Regional Communications and Emergency Control Center Project, each defined
20 and described in Ordinance 14167, and further authorized the issuance and public sale of
21 one or more series of its limited tax general obligation bond anticipation notes in an
22 outstanding aggregate principal amount not to exceed \$125,000,000 to provide interim
23 financing for such projects pending the issuance of the bonds, and

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

30 WHEREAS, pursuant to Ordinance 14745, the county council amended
31 Ordinance 14167, as previously amended by Ordinance 14463, to add the Integrated
32 Security and Jail Health Remodel Project to the list of projects that are authorized to be
33 financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an
34 interim basis, by such bond anticipation notes, and that the maximum outstanding
35 aggregate principal amount of such bonds and bond anticipation notes be increased to
36 \$145,000,000 as a result; and also to amend certain provisions of Ordinance 14167, as
37 previously amended by Ordinance 14463, pertaining to such bonds and bond anticipation
38 notes, and

39 WHEREAS, pursuant to Ordinance 14992, the county council amended
40 Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, to

41 add the Courthouse Lobby Project and the Jail ITR Remodel Project to the list of projects
42 that are authorized to be financed, on a long-term basis, by such bonds, and pending the
43 sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the
44 maximum outstanding aggregate principal amount of such bonds and bond anticipation
45 notes to \$150,000,000 as a result; and amend certain provisions of Ordinance 14167, as
46 previously amended by Ordinance 14463 and Ordinance 14745 (as so amended, the
47 "Series A Note Ordinance"), pertaining to such bonds and bond anticipation notes, and

48 WHEREAS, the Series A Note Ordinance provided that such bond anticipation
49 notes may be sold at public sale by competitive bid in one or more series as determined
50 by the Finance Director, and

51 WHEREAS, the Finance Director has determined that a series of such bond
52 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond
53 Anticipation Notes, 2004, Series A, in the aggregate principal amount of \$20,000,000
54 (the "Series A Notes"), be sold as provided herein, and

55 WHEREAS, currently, \$109,230,000 in aggregate principal amount of the bonds
56 authorized by the Series A Note Ordinance are outstanding. Currently, none of the bond
57 anticipation notes authorized by the Series A Note Ordinance are outstanding. The
58 aggregate principal amount of all such bonds and bond anticipation notes (including the
59 Series A Notes) to be outstanding on the date of issuance of the Series A Notes will be
60 \$129,230,000, which amount does not exceed \$150,000,000, and

61 WHEREAS, pursuant to Ordinance 14991 (the "Series B Note Ordinance"), the
62 county council authorized the issuance of one or more series of limited tax general
63 obligation bonds of the county in an outstanding aggregate principal amount not to

64 exceed \$30,000,000 to provide long-term financing for the Juanita Woodlands Open
65 Space Acquisition Project and the Forestry and Nearshore Initiative Project, each defined
66 and described in Series B Note Ordinance, and further authorized the issuance and public
67 sale of one or more series of its limited tax general obligation bond anticipation notes in
68 an outstanding aggregate principal amount not to exceed \$30,000,000 to provide interim
69 financing for such projects pending the issuance of the bonds, and

70 WHEREAS, the Series B Note Ordinance provided that such bond anticipation
71 notes may be publicly sold in one or more series, any of which may be sold in a
72 combined offering with other notes of the county, either by negotiated sale or by
73 competitive bid, as determined by the Finance Director in consultation with the county's
74 financial advisor, and

75 WHEREAS, the Finance Director has determined that a series of such bond
76 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond
77 Anticipation Notes, 2004, Series B, in the aggregate principal amount of \$26,370,000
78 (the "Series B Notes" and, together with the Series A Notes, the "Notes"), be sold as
79 provided herein, and

80 WHEREAS, currently, none of the bonds or bond anticipation notes authorized by
81 the Series B Note Ordinance is outstanding. The aggregate principal amount of all such
82 bonds and bond anticipation notes (including the Series B Notes) to be outstanding on the
83 date of issuance of the Series B Notes will be \$26,370,000, which amount does not
84 exceed \$30,000,000, and

85 WHEREAS, a preliminary official statement dated October 11, 2004, has been
86 prepared for the public sale of the Notes, the official Notice of such sale, as amended by

87 the Errata Notice dated October 13, 2004 (as so amended, the "Notice") has been duly
88 published, and bids have been received in accordance with the Notice, and

89 WHEREAS, the attached bid of Piper Jaffray & Co. to purchase the Series A
90 Notes is the best bid received for the Series A Notes, and it is in the best interest of the
91 county that such Series A Notes be sold to Piper Jaffray & Co. on the terms set forth in
92 the Notice, the attached bid, the Series B Note Ordinance and this motion, and

93 WHEREAS, the attached bid of Piper Jaffray & Co. to purchase the Series B
94 Notes is the best bid received for the Series B Notes, and it is in the best interest of the
95 county that such Series B Notes be sold to Piper Jaffray & Co. on the terms set forth in
96 the Notice, the attached bid, the Series B Note Ordinance and this motion;

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

98 A. Definitions. Except as expressly authorized herein, terms used in this motion
99 have the meanings set forth in the Series A Note Ordinance and the Series B Note
100 Ordinance.

101 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of
102 Notes. The issuance of the Series A Notes, designated as the county's Limited Tax
103 General Obligation Bond Anticipation Notes, 2004, Series A, in the aggregate principal
104 amount of \$20,000,000 and the terms and conditions thereof set forth in the Notice
105 attached hereto as Exhibit A, are hereby ratified and confirmed. The offer to purchase
106 the Series A Notes, as set forth in the bid of Piper Jaffray & Co. attached hereto as
107 Exhibit B, is hereby accepted. The Series A Notes shall be dated their date of issue and
108 delivery, shall mature on the date, and shall bear interest at the rate and payable on the
109 date specified in Exhibit B. The Series A Notes shall not be subject to redemption. The

110 Series A Notes shall conform in all other respects to the terms and conditions specified in
111 the Notice and Series A Note Ordinance.

112 The issuance of the Series B Notes, designated as the county's Limited Tax
113 General Obligation Bond Anticipation Notes, 2004, Series B, in the aggregate principal
114 amount of \$26,370,000, and the other terms and conditions thereof set forth in the Notice,
115 are hereby ratified and confirmed. The offer to purchase the Series B Notes, as set forth
116 in the bid of Piper Jaffray & Co. attached hereto as Exhibit C, which shall be deemed to
117 be adjusted to reflect the changed total par amount of the Notes, as and to the extent
118 permitted by the Notice, is hereby accepted. The Series B Notes shall be dated their date
119 of issue and delivery, shall mature on the date, and shall bear interest at the rates and
120 payable on the date specified in Exhibit C. The Series B Notes shall not be subject to
121 redemption. The Series B Notes shall conform in all other respects to the terms and
122 conditions specified in the Notice and Series B Note Ordinance.

123 C. Application of Note Proceeds. The proceeds of the Series A Notes shall be
124 applied to provide interim financing for some of the following projects, and paying costs
125 and expenses incurred in issuing the Series A Notes: the Courthouse Seismic Project, the
126 Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated
127 Security and Jail Health Remodel Project, the Courthouse Lobby Project, the Jail ITR
128 Remodel Project and the Kent Pullen Regional Communications and Emergency
129 Coordination Center Project.

130 All of the proceeds of the Series B Notes shall be applied to provide interim
131 financing for the Juanita Woodlands Open Space Acquisition Project and the Forestry

132 and Nearshore Initiative Project, and paying costs and expenses incurred in issuing the
133 Series B Notes.

134 D. Undertaking to Provide Ongoing Disclosure.

135 1. Contract/Undertaking. This section D constitutes the county's written
136 undertaking for the benefit of the owners and beneficial owners of the Notes as required
137 by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission
138 (the "commission").

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

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

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

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

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

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

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

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

161 Such annual information and operating data described above shall be provided on
162 or before the end of seven months after the end of the county's fiscal year. The county's
163 fiscal year currently ends on December 31. The county may adjust such fiscal year by
164 providing written notice of the change of fiscal year to each then existing NRMSIR and
165 the SID, if any. In lieu of providing such annual financial information and operating
166 data, the county may cross-reference to other documents provided to the NRMSIR, the
167 SID or to the commission, and, if such document is a final official statement within the
168 meaning of the rule, such document will be available from the Municipal Securities
169 Rulemaking Board (the "MSRB").

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

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

- 177 (a) principal and interest payment delinquencies;
- 178 (b) non-payment related defaults;
- 179 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 180 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 181 (e) substitution of credit or liquidity providers, or their failure to perform;
- 182 (f) adverse tax opinions or events affecting the tax-exempt status of the Notes;
- 183 (g) modifications to rights of Noteholders;
- 184 (h) optional, contingent or unscheduled calls of any Notes other than scheduled
- 185 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-
- 186 23856;
- 187 (i) defeasances;
- 188 (j) release, substitution or sale of property securing repayment of the Notes;
- 189 and
- 190 (k) rating changes.

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

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

198 5. Termination/Modification. The county's obligations to provide annual
199 financial information and notices of material events shall terminate upon the legal

200 defeasance, prior redemption or payment in full of all of the Notes. This section, or any
201 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally
202 recognized bond counsel to the effect that those portions of the rule which require this
203 section, or any such provision, are invalid, have been repealed retroactively or otherwise
204 do not apply to the Notes; and (ii) notifies each then existing NRMSIR and the SID, if
205 any, of such opinion and the cancellation of this section.

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

209 In the event of any amendment or waiver of a provision of this section D, the
210 county shall describe such amendment in the next annual report, and shall include, as
211 applicable, a narrative explanation of the reason for the amendment or waiver and its
212 impact on the type (or in the case of a change of accounting principles, on the
213 presentation) of financial information or operating data being presented by the county. In
214 addition, if the amendment relates to the accounting principles to be followed in
215 preparing financial statements, (i) notice of such change shall be given in the same
216 manner as for a material event under subsection 3, and (ii) the annual report for the year
217 in which the change is made should present a comparison (in narrative form and also, if
218 feasible, in quantitative form) between the financial statements as prepared on the basis
219 of the new accounting principles and those prepared on the basis of the former accounting
220 principles.

221 6. Note Owner's Remedies Under This Section. The right of any Note owner or
222 beneficial owner of Notes to enforce the provisions of this section shall be limited to a

223 right to obtain specific enforcement of the county's obligations hereunder, and any failure
224 by the county to comply with the provisions of this undertaking shall not be an event of
225 default with respect to the Notes. For purposes of this section, "beneficial owner" means
226 any person who has the power, directly or indirectly, to vote or consent with respect to, or
227 to dispose of ownership of, any Notes, including persons holding Notes through
228 nominees or depositories.

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

232 F. Severability. The covenants contained in this motion shall constitute a
233 contract between the county and the owners of each and every Note. If any one or more
234 of the covenants or agreements provided in this motion to be performed on the part of the
235 county shall be declared by any court of competent jurisdiction to be contrary to law, then
236 such covenant or covenants, agreement or agreements, shall be null and void and shall be

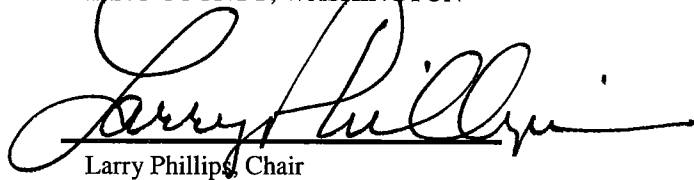
Motion 12029

237 deemed separable from the remaining covenants and agreements of this motion and shall
238 in no way affect the validity of the other provisions of this motion or of the Notes.
239

Motion 12029 was introduced on 7/19/2004 and passed by the Metropolitan King County Council on 10/18/2004, by the following vote:

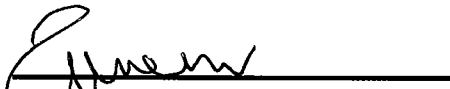
Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Exhibit A. Official Notice of Note Sale and Errata Notice, B. Exhibit B. Winning Bid for Bond Anticipation Notes, 2004, Series A, C. Exhibit C. Winning Bid for Bond Anticipation Notes, 2004, Series B

OFFICIAL NOTICE OF NOTE SALE

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES

\$20,000,000*
2004, SERIES A

\$26,675,000*
2004, SERIES B

Sealed and electronic (as explained below) bids for each series of the above-referenced notes (the "Notes") 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 OCTOBER 18, 2004,

or at such later date or time as may be established by the King County Director of 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 Notes. All bids received with respect to the Notes 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.

Each series of the Notes will be sold separately, on an all-or-none basis. Bidders who choose to bid on more than one series must submit a separate bid for each series.

Bids for each series of the Notes 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 Official Notice of Sale, 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 advisor, Seattle-Northwest Securities Corporation, at (206) 628-2882 or *PARITY* at (212) 806-8304.

In the event a bidder submits an electronic bid for either or both series of the Notes, such bidder hereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Note Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of Note Sale, including any amendments issued by public wire, shall control.

* Preliminary, subject to change.

- (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 Note 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 each series of the Notes and the interest rate for each series of the Notes) 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 for each series of the Notes by the County, this Official Notice of Note Sale, the applicable 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 either series of the Notes are rejected, the Finance Director may fix a new date and time for the receipt of bids for the applicable series of Notes 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 Note Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Note Sale and the Official Bid Forms), dated October 11, 2004, and further information regarding the details of the Notes may be obtained upon request to the Director of the King County Finance and Business Operations Division, 6th Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

Description of the Notes

The Notes will be dated the date of their initial delivery to the purchaser thereof, which is expected to be November 2, 2004. Interest on the Notes will be payable at maturity.

The Notes are not subject to redemption prior to maturity.

The Notes are issuable only as fully registered notes and when issued will be registered in the name of Cede & Co. as Note owner and nominee for The Depository Trust Company

("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes 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 Notes purchased. The principal of and interest on the Notes are payable by the fiscal agency for the State of Washington, currently The Bank of New York in New York, New York (the "Note 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 Notes.

Security

The Notes are general obligations of the County. The County has irrevocably covenanted that, for as long as any of the Notes are outstanding and unpaid, it will include in its budget and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people upon all property within the County subject to taxation in an amount that will be sufficient, together with bond proceeds and all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Notes as the same will become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of such taxes and the prompt payment of such 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 either series of the Notes fixing the interest rate that the applicable series of Notes will bear. The maximum interest rate bid may not exceed five percent (5%) per annum. The interest rate bid shall be in a multiple of 1/8 or 1/20 of one percent and the Notes of the applicable series shall bear no more than one rate of interest. Bids shall be without condition and shall be submitted only on the applicable 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 either series of the Notes for less than an amount equal to 99.5 percent of par or for less than the entire offering of the applicable series of the Notes. The County reserves the right to increase or decrease the total par amount of either series of the Notes by ten percent of the total par amount of such series of the Notes.

For the purpose of comparing bids only, the interest rate bid being controlling, each bid for each series of the Notes shall state the net interest cost of the bid determined in the manner hereinafter stated. The net interest cost will be equal to the total interest cost plus any premium and minus any discount, divided by the bond year dollars.

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 \$2,000,000 for the 2004A Notes and \$2,600,000 for the 2004B Notes. The good faith deposit for the applicable series 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 Director 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 either of 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 Notes of either series 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 2:00 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 for each series of the Notes will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the applicable series of Notes on the delivery of such series of Notes to the

successful bidder. Pending delivery of the applicable series of Notes, the good faith deposit may be invested for the sole benefit of the County.

If the Notes of either series are ready for delivery and the successful bidder fails to complete the purchase of such series of Notes 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 either series of the Notes shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Notes 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 Notes resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of either series of the Notes 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 such series of the Notes.

Award

The Notes of each series will be sold to the bidder making a bid for that series of Notes that conforms to the terms of the offering and that, on the basis of the lowest net interest cost, is the best bid. For the purpose of comparing bids only, the interest rate bid being controlling, each bid shall state the net interest cost of the bid determined in the manner hereinafter stated. The net interest cost will be equal to the total interest cost plus any premium and minus any discount, divided by the bond year dollars.

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 Note 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.

Issue Price Information

Upon award of each series of the Notes, the successful bidder for such series of Notes shall advise the County and Bond Counsel of the initial reoffering price to the public of such series of Notes (the "Initial Reoffering Price"); such reoffering price will be printed on the front cover of the final Official Statement. Simultaneously with or before delivery of the Notes, the successful bidder of each series of Notes shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the applicable Initial Reoffering Price,

- (ii) certifying that a *bona fide* offering of the applicable series of Notes has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the price at which a substantial amount of the applicable series of Notes was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) stating the price at which any portion of the applicable series of Notes that remains unsold at the date of closing would have been sold on the date such series of Notes were awarded, and
- (v) stating the offering price of each portion of the applicable series of Notes sold to institutional or other investors at discount.

Delivery

The County will deliver the Notes (consisting of a single word-processed certificate for each series of the Notes) to DTC in New York, New York, or to the Note 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 November 2, 2004.

It is understood that if, prior to the delivery of the either series of the Notes, the interest receivable by the owners of such series of Notes becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in this Official Statement for the applicable series of Notes, the successful bidder, at its option, may be relieved of its obligation to purchase such Notes, 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, for each series of the Notes will be provided to the applicable purchaser at the time of the delivery of the Notes. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes, 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 Notes.

CUSIP Number

It is anticipated that a CUSIP identification number will be printed on each series of the Notes, but neither the failure to print such number on the Notes 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 Notes in accordance with the terms of this Official Notice of Sale. The successful purchaser of each series of the Notes is be responsible for obtaining the CUSIP number. All expenses in relation to the printing of the CUSIP number on the Notes will be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser(s).

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 this Preliminary Official Statement and will also be set forth in the final Official Statement.

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. 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 Notes, 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 Notes, 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 purchaser, 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 11th day of October, 2004.

/s/ _____

Clerk of the Metropolitan King
County Council

OFFICIAL BID FORM—2004, SERIES A

\$20,000,000***KING COUNTY, WASHINGTON****LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES,
2004, SERIES A**

Director of Finance and Business Operations Division
King County
Seattle, Washington

Dear Sir:

For the above-referenced notes (the "2004A Notes"), described in the attached Official Notice of Note Sale, which is hereby made a part of this bid, and for all but not less than all of the 2004A Notes, with an interest rate on the 2004A Notes as indicated below:

\$20,000,000* due November 1, 2005, at _____%

we offer to pay the sum of \$ _____

(must be no less than \$19,900,000).

In accordance with the terms of the Official Notice of Note Sale, a good faith deposit in the amount of \$2,600,000 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 Note Sale if the 2004A Notes are awarded to us. If the 2004A Notes are not awarded to us and a check has been submitted, such check is to be returned to us. If the 2004A Notes 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 Note Sale which is incorporated herein by reference and made a part of this bid.

If our proposal to purchase the 2004A Notes 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 net interest cost _____% (not a part of the proposal).

* Preliminary, subject to change.

OFFICIAL BID FORM—2004, SERIES B

\$26,675,000*

KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES,
2004, SERIES B

Director of Finance and Business Operations Division
King County
Seattle, Washington

Dear Sir:

For the above-referenced notes (the "2004B Notes"), described in the attached Official Notice of Note Sale, which is hereby made a part of this bid, and for all but not less than all of the 2004B Notes, with an interest rate on the 2004B Notes as indicated below:

\$26,675,000* due November 1, 2005, at _____%

we offer to pay the sum of \$ _____

(must be no less than \$26,541,625).

In accordance with the terms of the Official Notice of Note Sale, a good faith deposit in the amount of \$2,600,000 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 Note Sale if the 2004B Notes are awarded to us. If the 2004B Notes are not awarded to us and a check has been submitted, such check is to be returned to us. If the 2004B Notes 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 Note Sale which is incorporated herein by reference and made a part of this bid.

If our proposal to purchase the 2004B Notes 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 net interest cost _____% (not a part of the proposal).

* Preliminary, subject to change.

ERRATA NOTICE**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES****\$20,000,000***
2004, SERIES A
___%**\$26,675,000***
2004, SERIES B
___%**DATED: DATE OF INITIAL DELIVERY****DUE: NOVEMBER 1, 2005**

The Preliminary Official Statement for the above referenced Notes issue has a mistake on page vii in the section titled "Good Faith Deposit." The correct amount for the good faith deposit is \$200,000 for the Series A Notes and \$260,000 for the Series B Notes.

October 13, 2004

* Preliminary, subject to change.

Piper Jaffray - Minneapolis, MN's Bid
King County
\$20,000,000 Limited Tax General Obligation
Bond Anticipation Notes, 2004, Series A

For the aggregate principal amount of \$20,000,000.00, we will pay you \$20,233,400.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
11/01/2005	20,000M	3.0000	1.7900	101.185
Total Interest Cost:				\$598,333.33
Premium:				\$233,400.00
Net Interest Cost:				\$364,933.33
NIC:				1.829749

Time Last Bid Received On:10/18/2004 8:57:29 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: Piper Jaffray, Minneapolis, MN
Contact: Shawn Somerville
Title: Vice President
Telephone:612-303-1244
Fax: 612-313-3082

Issuer Name: King County
Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____

