



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**July 28, 2008**

**Motion 12818**

**Proposed No.** 2008-0220.2

**Sponsors** Phillips

1                   A MOTION of the county council approving a bid for the  
2                   county's Sewer Revenue Bonds, 2008, in the aggregate  
3                   principal amount of \$350,000,000 and establishing certain  
4                   terms of such bonds, all in accordance with  
5                   Ordinance 16133.

6  
7                   WHEREAS, the county council by Ordinance 16133 passed on June 16, 2008 (the  
8                   "Bond Ordinance"), authorized the issuance and sale of bonds of the county payable from  
9                   sewer revenues in the aggregate principal amount of not to exceed \$900,000,000 (the  
10                  "Project Bonds") to pay costs of certain capital improvements to the county's sewer  
11                  system (the "System"), in accordance with the county's comprehensive water pollution  
12                  abatement plan, and not to exceed \$200,000,000 (the "Refunding Bonds") to refund  
13                  certain outstanding sewer revenue bonds, and

14                  WHEREAS, the Bond Ordinance provided that such bonds be sold in one or more  
15                  series, either in general obligation bonds payable also from sewer revenues or in sewer  
16                  revenue bonds, and by negotiated sale or competitive bid, as determined by the county's

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

19 WHEREAS, the Finance Director has determined that \$350,000,000 principal  
20 amount of Project Bonds be sold by competitive bid in a series of such bonds payable  
21 solely from sewer revenues in the aggregate principal amount of \$350,000,000 to be  
22 designated as the county's Sewer Revenue Bonds, 2008 (the "Bonds"), and

23 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
24 dated July 21, 2008, 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 Citigroup Global Markets Inc. (the "Purchaser")  
28 to purchase the Bonds is the best bid received for the Bonds, and it is in the best interest  
29 of the county that the Bonds be sold to the Purchaser on the terms set forth in the Notice,  
30 the 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 Purchaser's

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

44 C. Application of Project Bond Proceeds; Satisfaction of Reserve Requirement.

45 In accordance with Section 15.A of the Bond Ordinance, there is hereby established a  
46 special subaccount within the Construction Account to be designated as the Series 2008  
47 Construction Subaccount (the "Construction Subaccount"). Proceeds of the Project  
48 Bonds (exclusive of accrued interest, if any, which shall be deposited into the Debt  
49 Service Account in the Bond Fund) shall be deposited in the Construction Subaccount  
50 and applied to pay costs of improvements to the System and costs of issuance of the  
51 Project Bonds, in accordance with Section 15.A of the Bond Ordinance.

52 In accordance with Section 9.C of the Bond Ordinance, proceeds of the Project  
53 Bonds shall be deposited into the Bond Reserve Account in an amount sufficient to  
54 satisfy the Reserve Requirement with respect to the Bonds.

55 D. Undertaking to Provide Ongoing Disclosure.

56 1. Contract/Undertaking. In accordance with Section 31 of the Bond Ordinance,  
57 this Section D constitutes the county's written undertaking for the benefit of the Owners  
58 and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

59 2. Financial Statements/Operating Data. The county agrees to provide or cause  
60 to be provided to each NRMSIR and to the SID, if any, in each case as designated by the  
61 Commission in accordance with the Rule, the following annual financial information and

62 operating data for the prior fiscal year (commencing in 2009 for the fiscal year ending  
63 December 31, 2008):

64 a. Annual financial statements, which may or may not be audited, showing  
65 year-end fund balance for the County's Water Quality Enterprise fund prepared in  
66 accordance with the Budget Accounting and Reporting System prescribed by the  
67 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes) and  
68 generally of the type included in the official statement for the Bonds under the heading  
69 "Appendix C: King County Water Quality Enterprise 2007 Financial Statements";

70 b. Amount of outstanding Parity Bonds; and

71 c. Information regarding customers, revenues and expenses of the Sewer  
72 System generally in the form set forth in the Official Statement for the Bonds in the table  
73 titled "Historical Customers, Revenues and Expenses."

74 Items b. and c. are required only to the extent that such information is not  
75 included in the annual financial statement.

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

85 If not provided as part of the annual financial information discussed above, the  
86 county will provide the county's audited annual financial statement 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 statutes) when  
89 and if available to each then existing NRMSIR and the SID, if any.

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

- 94 a. Principal and interest payment delinquencies;
- 95 b. Non-payment related defaults;
- 96 c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 97 d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 98 e. Substitution of credit or liquidity providers, or their failure to perform;
- 99 f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 100 g. Modifications to rights of Bondholders;
- 101 h. Optional, contingent or unscheduled calls of any Bonds other than scheduled  
102 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-  
103 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 (d) and (j) above that the county has not  
110 obtained credit enhancement for the Bonds and no property secures repayment of the  
111 Bonds.

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

117 5. Centralized Filing. Any filing required to be made with any NRMSIR or SID  
118 pursuant to the county's undertaking may be made by transmitting such filing solely to (i)  
119 the Texas Municipal Advisory Council (the "MAC") as provided in  
120 <http://www.disclosureusa.org>, unless or until the SEC withdraws its approval of this  
121 submission process, or (ii) any other entity for whom the SEC has provided interpretive  
122 advice to the effect that a filing solely with such entity shall satisfy an issuer's filing  
123 requirements under the Rule.

124 6. Termination/Modification. The county's obligations to provide annual  
125 financial information and notices of material events shall terminate upon the legal  
126 defeasance or payment in full of the Bonds. These obligations, or any provision hereof,  
127 shall be null and void if the county (i) obtains an opinion of nationally recognized bond  
128 counsel to the effect that those portions of the Rule that require these obligations, or any  
129 such provision, are invalid, have been repealed retroactively or otherwise do not apply to

130 the Bonds; and (ii) notifies each then existing NRMSIR and the SID, if any, of such  
131 opinion and the cancellation of these obligations.

132 Notwithstanding any other provision of this motion, the county may amend this  
133 Section D, and any provision of this Section D may be waived, with an approving  
134 opinion of nationally recognized bond counsel and in accordance with the Rule.

135 In the event of any amendment of or waiver of a provision of this Section D, the  
136 county shall describe such amendment in the next annual report, and shall include, as  
137 applicable, a narrative explanation of the reason for the amendment or waiver and its  
138 impact on the type (or in the case of a change of accounting principles, on the  
139 presentation) of financial information or operating data being presented by the county. In  
140 addition, if the amendment relates to the accounting principles to be followed in  
141 preparing financial statements, (i) notice of such change shall be given in the same  
142 manner as for a material event under subsection 3, and (ii) the annual report for the year  
143 in which the change is made should present a comparison (in narrative form and also, if  
144 feasible, in quantitative form) between the financial statements as prepared on the basis  
145 of the new accounting principles and those prepared on the basis of the former accounting  
146 principles.

147 7. Bond Owner's Remedies Under This Section. The right of any Bond Owner  
148 or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to  
149 a right to obtain specific enforcement of the county's obligations hereunder, and any  
150 failure by the county to comply with the provisions of this undertaking shall not be an  
151 event of default with respect to the Bonds hereunder. For purposes of this section,  
152 "Beneficial Owner" means any person who has the power, directly or indirectly, to vote

153 or consent with respect to, or to dispose of ownership of, any Bond, including persons  
154 holding Bonds through nominees or depositories.

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

159 F. Severability. If any provision in this motion is declared by any court of  
160 competent jurisdiction to be contrary to law, then such provision shall be null and void



**Motion 12818**

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161 and shall be deemed separable from the remaining provisions of this motion and shall in  
162 no way affect the validity of the other provisions of this motion or of the Bonds.

163

Motion 12818 was introduced on 4/28/2008 and passed by the Metropolitan King County Council on 7/28/2008, by the following vote:

Yes: 9 - Ms. Patterson, Mr. Dunn, Mr. Constantine, Ms. Lambert, Mr. von Reichbauer, Mr. Ferguson, Mr. Gossett, Mr. Phillips and Ms. Hague

No: 0


Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Julia Patterson, Chair

ATTEST:



Anne Noris, Clerk of the Council

**Attachments**      A. Official Notice of Bond Sale \$350,000,000 King County, Washington Sewer Revenue Bonds, 2008, B. Citigroup Global Markets Inc. - New York, NY's Bid, King County \$350,000,000 Sewer Revenue Bonds, 2008

# 12818 ATTACHMENT A

## OFFICIAL NOTICE OF BOND SALE

\$350,000,000

KING COUNTY, WASHINGTON

SEWER REVENUE BONDS, 2008

Electronic (as explained below) bids for the above-referenced bonds (the "Bonds") of King County, Washington (the "County"), will be received via *PARITY*, in the manner described below, until

9:00 A.M., PACIFIC TIME, ON JULY 28, 2008,

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 electronically via *PARITY* in accordance with its Rules of Participation and this notice, until 9:00 a.m., Pacific Time. No bid will be received after the time for receiving bids specified above. 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) 849-5021.

By submitting an electronic bid for the Bonds, each 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) Upon acceptance of a bid by the County, this Official Notice of Bond Sale 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), dated July 21, 2008, may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), telephone 212-849-5024. Further information regarding the details of the Bonds may be obtained from 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 Advisor, 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 will bear interest payable semiannually on each January 1 and July 1, beginning January 1, 2009, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on or after January 1, 2019, in whole or in part at any time on or after January 1, 2018, 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 in New York, New York, currently The Bank of New York Mellon (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 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 Installments (January 1)</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments (January 1)</u>	<u>Principal Amounts</u>
2017	\$ 1,755,000	2033	\$ 3,385,000
2018	1,850,000	2034	4,160,000
2019	1,945,000	2035	4,380,000
2020	2,050,000	2036	4,610,000
2021	2,155,000	2037	18,205,000
2022	2,270,000	2038	19,165,000
2023	2,390,000	2039	20,170,000
2024	2,515,000	2040	21,175,000
2025	2,645,000	2041	22,235,000
2026	2,785,000	2042	23,345,000
2027	2,930,000	2043	24,515,000
2028	3,085,000	2044	25,740,000
2029	3,245,000	2045	27,030,000
2030	3,415,000	2046	28,380,000
2031	3,595,000	2047	29,800,000
2032	3,785,000	2048	31,290,000

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 payable from and secured by a pledge of earnings, revenues and money received by the County from or on account of the operation of the Sewer System ("Revenue of the System"), subject to Operating and Maintenance Expenses of the Sewer System. The lien of the Bonds is on parity with the lien on Revenue

of the System securing payment of the outstanding Parity Bonds and senior to the liens securing the Parity Lien Obligations, the Junior Lien Obligations, the Subordinate Lien Obligations, and the SRF and Public Works Trust Fund Loans, all of which are described in the Preliminary Official Statement under "Outstanding Sewer System Obligations."

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 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. 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.

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 \$3,500,000. The good faith deposit shall be in the form of 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 Advisor prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

If the 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, or upon County acceptance of the terms of insurance or other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, 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, but shall not, in any event, be paid by the County. 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.

If the successful bidder purchases insurance for the Bonds, the County may require the successful bidder to furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel confirming that the present value (calculated using the same yield as the yield on the Bonds) of the insurance premium is less than the present value (calculated using the same yield as the yield on the Bonds) of the interest cost savings represented by the comparative differences between interest amounts that would have been payable on the various maturities of the Bonds at interest rates on the Bonds issued with and without the insurance on 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 August 14, 2008.

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 K&L 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 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 the Preliminary Official Statement and will also be set forth in the final Official Statement.

#### **Official Statement**

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

By submitting the successful bid, 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 bid 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 21st day of July, 2008.

\_\_\_\_\_/s/\_\_\_\_\_  
Clerk of the Metropolitan King County Council

12818

ATTACHMENT B

Citigroup Global Markets Inc. - New York, NY's  
Bid



**King County**  
**\$350,000,000 Sewer Revenue Bonds, 2008**

For the aggregate principal amount of \$350,000,000.00, we will pay you \$350,521,289.75, 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 %
01/01/2017	1,755M	5.5000
01/01/2018	1,850M	5.5000
01/01/2019	1,945M	5.5000
01/01/2020	2,050M	5.5000
01/01/2021	2,155M	5.5000
01/01/2022	2,270M	5.5000
01/01/2023	2,390M	5.5000
01/01/2024	2,515M	5.5000
01/01/2025	2,645M	5.5000
01/01/2026	2,785M	5.5000
01/01/2027	2,930M	5.5000
01/01/2028	3,085M	5.5000
01/01/2029	3,245M	5.5000
01/01/2030	3,415M	5.5000
01/01/2031	3,595M	5.5000
01/01/2032	3,785M	5.5000
01/01/2033	3,385M	5.5000
01/01/2034		
01/01/2035		
01/01/2036		
01/01/2037		
01/01/2038	50,520M	5.0000
01/01/2039		
01/01/2040	41,345M	5.1250
01/01/2041		
01/01/2042		
01/01/2043	70,095M	5.7500
01/01/2044		
01/01/2045		
01/01/2046		
01/01/2047		
01/01/2048	142,240M	5.2500

Total Interest Cost:	\$595,449,144.15
Premium:	\$521,289.75
Net Interest Cost:	\$594,927,854.40
TIC:	5.318541

Time Last Bid Received On:07/28/2008 8:59:56 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: Citigroup Global Markets Inc., New York , NY  
Contact: Charles Reed  
Title: VP  
Telephone:212-723-7093  
Fax: 212-723-8951

Issuer Name: King County

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

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

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

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

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

