

12209

ATTACHMENT A

OFFICIAL NOTICE OF NOTE SALE

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES

\$30,000,000*
2005, SERIES A

\$30,000,000*
2005, 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 17, 2005,

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.
- (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.

* Preliminary, subject to change.

- (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, 2005, 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 1, 2005. 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 that is less than an amount equal to 98 percent of the par value of the applicable series of the Notes nor more than an amount equal to 102 percent of the par value of such series, 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.

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 \$300,000 for each series of the 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 Director of the King County 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 either of 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 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 for either series of the Notes 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 Notes of that series may be readvertised for sale in the manner provided by law and as provided above. Any bid for the Notes 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 1, 2005.

It is understood that if, prior to the delivery of 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 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

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

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

At the time of the delivery of the 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(s) of the Notes, 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, 2005.

/s/

Clerk of the Metropolitan King County
Council

OFFICIAL BID FORM—2005, SERIES A

\$30,000,000*

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2005,
SERIES A

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

Dear Sir:

For the above-referenced notes (the "2005A 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 2005A Notes, with an interest rate on the 2005A Notes as indicated below:

\$30,000,000* due November 1, 2006, at _____ %

we offer to pay the sum of \$ _____

(must be no less than \$29,400,000 and no more than \$30,600,000).

In accordance with the terms of the Official Notice of Note Sale, a good faith deposit in the amount of \$300,000 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 2005A Notes are awarded to us. If the 2005A Notes are not awarded to us and a check has been submitted, such check is to be returned to us. If the 2005A 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 2005A 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—2005, SERIES B

\$30,000,000*

KING COUNTY, WASHINGTON

**LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2005,
SERIES B**

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

Dear Sir:

For the above-referenced notes (the "2005B 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 2005B Notes, with an interest rate on the 2005B Notes as indicated below:

\$30,000,000* due November 1, 2006, at _____%

we offer to pay the sum of \$ _____

(must be no less than \$29,400,000 and no more than \$30,600,000).

In accordance with the terms of the Official Notice of Note Sale, a good faith deposit in the amount of \$300,000 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 2005B Notes are awarded to us. If the 2005B Notes are not awarded to us and a check has been submitted, such check is to be returned to us. If the 2005B 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 2005B 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.