



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**October 16, 2007**

**Motion 12607**

**Proposed No.** 2007-0417.2

**Sponsors** Ferguson

1                   A MOTION of the county council accepting a bid for the  
2                   purchase of the county's Limited Tax General Obligation  
3                   Bonds, 2007, Series C, in the aggregate principal amount of  
4                   \$10,695,000 and fixing the interest rates and other terms  
5                   thereof in accordance with Ordinance 14167, as amended  
6                   by Ordinance 14463, Ordinance 14745, Ordinance 14992,  
7                   Ordinance 15285 and Ordinance 15604; and accepting a  
8                   bid for the purchase of the county's Limited Tax General  
9                   Obligation Bonds, 2007, Series D, in the aggregate  
10                  principal amount of \$34,630,000 and fixing the interest  
11                  rates and other terms thereof in accordance with Ordinance  
12                  14991, as amended by Ordinance 15286.

13  
14                  WHEREAS, pursuant to Ordinance 14167, the county council authorized the  
15                  issuance of one or more series of its limited tax general obligation bonds in an  
16                  outstanding aggregate principal amount not to exceed \$125,000,000 to provide long-term  
17                  financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project

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

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

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

38 WHEREAS, pursuant to Ordinance 14992, the county council amended  
39 Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, to  
40 add the Courthouse Lobby Project and the Jail ITR Remodel Project to the list of projects

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

47 WHEREAS, pursuant to Ordinance 15285, the county council amended  
48 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745 and  
49 Ordinance 14992, to add the Orcas Building Acquisition and Tenant Improvement  
50 Project, the PAO 4th Floor Courthouse Move Project, the Pedestrian Tunnel Project, the  
51 Sky Bridge Feasibility Study Project to the list of projects that are authorized to be  
52 financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an  
53 interim basis, by such bond anticipation notes, and increase the maximum outstanding  
54 aggregate principal amount of such bonds and bond anticipation notes to \$160,000,000 as  
55 a result; and amend certain provisions of Ordinance 14167, as previously amended by  
56 Ordinance 14463, Ordinance 14745 and Ordinance 14992, pertaining to such bonds and  
57 bond anticipation notes, and

58 WHEREAS, pursuant to Ordinance 15604, the county council amended  
59 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,  
60 Ordinance 14992 and Ordinance 15285, to change the scope of the Pedestrian Tunnel  
61 Project to include construction as well as design, add the NCOB Equipping Project to the  
62 list of projects that are authorized to be financed, on a long-term basis, by such bonds,  
63 and pending the sale of such bonds, on an interim basis, by such bond anticipation notes,

64 and increase the maximum outstanding aggregate principal amount of such bonds and  
65 bond anticipation notes to \$170,000,000 as a result; and amend certain provisions of  
66 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,  
67 Ordinance 14992 and Ordinance 15285 (as so amended, the "Series C Ordinance"),  
68 pertaining to such bonds and bond anticipation notes, and

69 WHEREAS, the Series C Ordinance provided that such bonds may be sold at  
70 public sale by competitive bid in one or more series as determined by the Finance  
71 Director, and

72 WHEREAS, the Finance Director has determined that a series of such bonds, to  
73 be designated as the county's Limited Tax General Obligation Bonds, 2007, Series C, in  
74 the aggregate principal amount of \$10,695,000 (the "Series C Bonds"), be sold as  
75 provided herein, and

76 WHEREAS, currently, \$101,725,000 in aggregate principal amount of the bonds  
77 authorized by the Series C Ordinance are outstanding. Currently, \$52,715,000 of the  
78 bond anticipation notes authorized by the Series C Ordinance are outstanding,  
79 \$10,600,000 of which will be paid and retired from the proceeds of the Series C Bonds  
80 simultaneously with the issuance thereof and the remaining \$42,115,000 of which will be  
81 paid and retired from the proceeds of bond anticipation notes authorized by the  
82 Ordinance to be issued simultaneously with the issuance of the Series C Bonds. The  
83 aggregate principal amount of all such bonds and bond anticipation notes (including the  
84 Series C Bonds) to be outstanding on the date of issuance of the Series C Bonds will be  
85 \$156,395,000, which amount does not exceed \$170,000,000, and

86 WHEREAS, pursuant to Ordinance 14991, the county council authorized the  
87 issuance of one or more series of limited tax general obligation bonds of the county in an  
88 outstanding aggregate principal amount not to exceed \$30,000,000 to provide long-term  
89 financing for the Juanita Woodlands Open Space Acquisition Project and the Forestry  
90 and Nearshore Initiative Project, each defined and described in Ordinance 14991, and  
91 further authorized the issuance and public sale of one or more series of its limited tax  
92 general obligation bond anticipation notes in an outstanding aggregate principal amount  
93 not to exceed \$30,000,000 to provide interim financing for such projects pending the  
94 issuance of the bonds, and

95 WHEREAS, pursuant to Ordinance 15286, the county council amended  
96 Ordinance 14991 to increase the maximum outstanding aggregate principal amount of  
97 such bonds and bond anticipation notes to \$40,000,000 (as so amended, the "Series D  
98 Ordinance"), and

99 WHEREAS, the Series D Ordinance provided that such bonds may be publicly  
100 sold in one or more series, any of which may be sold in a combined offering with other  
101 notes of the county, either by negotiated sale or by competitive bid, as determined by the  
102 Finance Director in consultation with the county's financial advisor, and

103 WHEREAS, the Finance Director has determined that a series of such bonds, to  
104 be designated as the county's Limited Tax General Obligation Bonds, 2007, Series D, in  
105 the aggregate principal amount of \$34,630,000 (the "Series D Bonds" and, together with  
106 the Series C Bonds, the "Bonds"), be sold as provided herein, and

107 WHEREAS, currently, none of the bonds and \$31,275,000 of the bond  
108 anticipation notes authorized by the Series D Ordinance are outstanding, all of which will

109 be paid and retired from the proceeds of the Series D Bonds simultaneously with the  
110 issuance thereof. The aggregate principal amount of all such bonds and bond anticipation  
111 notes (including the Series D Bonds) to be outstanding on the date of issuance of the  
112 Series D Bonds will be \$34,630,000, which amount does not exceed \$40,000,000, and

113 WHEREAS, a preliminary official statement dated October 10, 2007, as amended  
114 by an Errata Notice dated October 11, 2007, has been prepared for the public sale of the  
115 Bonds, the official Notice of such sale dated October 10, 2007 (the "Notice"), has been  
116 duly published, and bids have been received in accordance with the Notice, and

117 WHEREAS, the attached bid of UBS Securities LLC to purchase the Series C  
118 Bonds is the best bid received for the Series C Bonds, and it is in the best interest of the  
119 county that such Series C Bonds be sold to UBS Securities LLC on the terms set forth in  
120 the Notice, the attached bid, the Series D Ordinance and this motion, and

121 WHEREAS, the attached bid of UBS Securities LLC to purchase the Series D  
122 Bonds is the best bid received for the Series D Bonds, and it is in the best interest of the  
123 county that such Series D Bonds be sold to UBS Securities LLC on the terms set forth in  
124 the Notice, the attached bid, the Series D Ordinance and this motion;

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

126 A. Definitions. Except as expressly authorized herein, terms used in this motion  
127 have the meanings set forth in the Series C Ordinance and the Series D Ordinance.

128 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
129 Bonds. The issuance of the Series C Bonds, designated as the county's Limited Tax  
130 General Obligation Bonds, 2007, Series C, in the aggregate principal amount of  
131 \$10,695,000, and the other terms and conditions thereof set forth in the Notice attached

132 hereto as Exhibit A, are hereby ratified and confirmed. The offer to purchase the Series  
133 C Bonds, as set forth in the bid of UBS Securities LLC attached hereto as Exhibit B,  
134 which shall be deemed to be adjusted to reflect the changed aggregate principal amount  
135 of the Series C Bonds, as and to the extent permitted by the Notice, is hereby accepted.  
136 The Series C Bonds shall be dated their date of issue and delivery, and shall be subject to  
137 optional redemption as set forth in the Notice. The Series C Bonds shall mature or be  
138 subject to mandatory redemption on the dates and in the amounts, and shall bear interest  
139 at the rates specified in Exhibit C hereto. The Series C Bonds shall conform in all other  
140 respects to the terms and conditions specified in the Notice and Series C Ordinance.

141 The issuance of the Series D Bonds, designated as the county's Limited Tax  
142 General Obligation Bonds, 2007, Series D, in the aggregate principal amount of  
143 \$34,630,000, and the other terms and conditions thereof set forth in the Notice, are  
144 hereby ratified and confirmed. The offer to purchase the Series D Bonds, as set forth in  
145 the bid of UBS Securities LLC attached hereto as Exhibit D, which shall be deemed to be  
146 adjusted to reflect the changed aggregate principal amount of the Series D Bonds, as and  
147 to the extent permitted by the Notice, is hereby accepted. The Series D Bonds shall be  
148 dated their date of issue and delivery, and shall be subject to optional redemption as set  
149 forth in the Notice. The Series C Bonds shall mature on the dates and in the amounts,  
150 and shall bear interest at the rates specified in Exhibit E hereto. The Series D Bonds shall  
151 conform in all other respects to the terms and conditions specified in the Notice and  
152 Series D Ordinance.

153 C. Application of Bond Proceeds. The proceeds of the Series C Bonds shall be  
154 applied to provide long-term financing for the following projects, and paying costs and

155 expenses incurred in issuing the Series C Bonds: the Courthouse Lobby Project, the  
156 Orcas Building Acquisition and Tenant Improvement Project, the PAO 4th Floor  
157 Courthouse Move Project, the Pedestrian Tunnel Project and the Sky Bridge Feasibility  
158 Study Project.

159 The proceeds of the Series D Bonds shall be applied to provide long-term  
160 financing for the Juanita Woodlands Open Space Acquisition Project and the Forestry  
161 and Nearshore Initiative Project, and paying costs and expenses incurred in issuing the  
162 Series D Bonds.

163 D. Undertaking to Provide Ongoing Disclosure.

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

168 2. Financial Statements/Operating Data. The county agrees to provide or cause  
169 to be provided to each nationally recognized municipal securities information repository  
170 ("NRMSIR") and to the state information depository (the "SID"), if any, in each case as  
171 designated by the commission in accordance with the rule, the following annual financial  
172 information and operating data for the prior fiscal year (commencing in 2008 for the  
173 fiscal year ended December 31, 2007):

174 (a) annual financial statements prepared in accordance with the Budget  
175 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor  
176 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached  
177 to the official statement as "Appendix B," which statements will not be audited, except



178 that if and when audited financial statements are otherwise prepared and available to the  
179 county they will be provided;

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

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

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

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

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

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

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

198 If not provided as part of the annual financial information discussed above, the  
199 county shall provide the county's audited annual financial statement prepared in

200 accordance with BARS when and if available to each then existing NRMSIR and the  
201 SID, if any.

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

- 205 (a) principal and interest payment delinquencies;
- 206 (b) non-payment related defaults;
- 207 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 208 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 209 (e) substitution of credit or liquidity providers, or their failure to perform;
- 210 (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 211 (g) modifications to rights of Bondholders;
- 212 (h) optional, contingent or unscheduled calls of any Bonds other than  
213 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act  
214 Release 34-23856;
- 215 (i) defeasances;
- 216 (j) release, substitution or sale of property securing repayment of the Bonds;
- 217 and
- 218 (k) rating changes.

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

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

226           5. Centralized Filing. Any filing required to be made with any NRMSIR or  
227 SID pursuant to the County's undertaking may be made by transmitting such filing solely  
228 to (i) the Texas Municipal Advisory Council (the "MAC") as provided in  
229 *http://www.disclosureusa.org* unless the SEC has withdrawn the interpretive advice in its  
230 letter to the MAC dated September 7, 2004, or (ii) any other entity for whom the SEC has  
231 provided interpretive advice to the effect that a filing solely with such entity shall satisfy  
232 an issuer's filing requirements under the Rule.

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

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

244 In the event of any amendment or waiver of a provision of this section D, the  
245 county shall describe such amendment in the next annual report, and shall include, as  
246 applicable, a narrative explanation of the reason for the amendment or waiver and its  
247 impact on the type (or in the case of a change of accounting principles, on the  
248 presentation) of financial information or operating data being presented by the county. In  
249 addition, if the amendment relates to the accounting principles to be followed in  
250 preparing financial statements, (i) notice of such change shall be given in the same  
251 manner as for a material event under subsection 3, and (ii) the annual report for the year  
252 in which the change is made should present a comparison (in narrative form and also, if  
253 feasible, in quantitative form) between the financial statements as prepared on the basis  
254 of the new accounting principles and those prepared on the basis of the former accounting  
255 principles.

256 7. Bond Owners' Remedies Under This Section. The right of any Bond owner  
257 or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a  
258 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
259 by the county to comply with the provisions of this undertaking shall not be an event of  
260 default with respect to the Bonds. For purposes of this section, "beneficial owner" means  
261 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
262 to dispose of ownership of, any Bonds, including persons holding Bonds through  
263 nominees or depositories.

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

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

272 deemed separable from the remaining covenants and agreements of this motion and shall  
273 in no way affect the validity of the other provisions of this motion or of the Bonds.  
274

Motion 12607 was introduced on 9/4/2007 and passed by the Metropolitan King County Council on 10/15/2007, by the following vote:

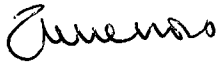
Yes: 8 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr. Ferguson, Mr. Phillips, Ms. Hague and Mr. Constantine  
No: 0  
Excused: 1 - Mr. Dunn

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments** A. Official Notice of Sale King County, Washington Limited Tax General Obligation Bonds, \$10,090,000\* 2007 Series C, \$33,470,000\* 2007 Series D, \$44,285,000\* Limited Tax General Obligation Bond Anticipation Notes, 2007, B. UBS Securities, LLC - New York, NY's Bid King County \$10,090,000 Limited Tax General Obligation Bonds, 2007 Series C, C. Exhibit C \$10,695,000 King County, Washington Limited Tax General Obligation Bonds, 2007, Series C Maturity Dates, Principal Amounts and Interest Rates, D. USB Securities LLC - New York, NY's Bid King County \$33,470,000 Limited Tax General Obligation Bonds, 2007 Series D, E. Exhibit E \$34,630,000 King County, Washington Limited Tax General Obligation Bonds, 2007, Series D Maturity Dates, Principal Amounts and Interest Rates

12607 1

# ATTACHMENT A

## OFFICIAL NOTICE OF SALE

KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS,  
\$10,090,000\*                      \$33,470,000\*  
2007 SERIES C                      2007 SERIES D  
\$44,285,000\*  
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2007

Separate sealed and electronic (as explained below) bids for Limited Tax General Obligation Bonds, 2007 Series C (the "2007C Bonds"), and Limited Tax General Obligation Bonds, 2007 Series D (the "2007D Bonds" and, together with the 2007C Bonds, the "Bonds"), and the Limited Tax General Obligation Bond Anticipation Notes, 2007 (the "2007 Notes" and together with the Bonds, the "Obligations"), 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 15, 2007,

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 Obligations. All bids received with respect to the Obligations 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 any series of the Obligations, it will be awarded to the successful bidder(s) and its terms will be approved by the County Council at such meeting.

Each series of the Bonds and the 2007 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 Obligations must be submitted either:

- (i) In a sealed envelope to the Finance Director as described above; or
- (ii) Electronically via *PARITY* in accordance with its Rules of Participation and this notice, between 8:30 a.m. and 9:00 a.m., Pacific time, but no bid will be received after the time for receiving bids specified above. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile transmission to the Finance Director at (206) 296-7345. For further information about *PARITY*, potential bidders may contact the County's financial advisor, Seattle-Northwest Securities Corporation, at (206) 628-2882, or *PARITY* at (212) 849-5021.

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

- (i) If any provision in this Official Notice of Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of 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 Sale.

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\* 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 Obligations and the interest rates for any maturity of such series of the Obligations) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory.
- (vi) Upon acceptance of a bid by the County, this Official Notice of Sale, the Official Bid Form and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

If all bids for any series of the Obligations are rejected, the Finance Director may fix a new date and time for the receipt of bids for such series of the Obligations 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 Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Sale and the Official Bid Forms), dated October 10, 2007, 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 Obligations 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 Obligations**

The Obligations 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, 2008, to maturity or earlier redemption of the Bonds. Interest on the 2007 Notes will be payable only at maturity.

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 2007 Notes are not subject to redemption prior to maturity.

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. The 2007 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 DTC. DTC will act as securities depository for the Obligations. Purchases of the Obligations 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 Obligations purchased. The principal of and interest on the Obligations are payable by the fiscal agency for the State of Washington in New York, New York, currently The Bank of New York (the "Bond Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Obligations.



**Election of Maturities**

*2007C Bonds.* The bidder for the 2007C Bonds shall designate whether the principal amounts of the 2007C 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>
2008	\$ 50,000	2019	\$ 495,000
2009	305,000	2020	520,000
2010	320,000	2021	545,000
2011	335,000	2022	575,000
2012	350,000	2023	600,000
2013	370,000	2024	630,000
2014	390,000	2025	665,000
2015	405,000	2026	695,000
2016	425,000	2027	730,000
2017	450,000	2028	765,000
2018	470,000		

The County will retire the 2007C 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.

*2007D Bonds.* The bidder for the 2007D Bonds shall designate whether the principal amounts of the 2007D 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>
2008	\$ 165,000	2019	\$ 1,640,000
2009	1,005,000	2020	1,720,000
2010	1,060,000	2021	1,810,000
2011	1,110,000	2022	1,900,000
2012	1,165,000	2023	1,995,000
2013	1,225,000	2024	2,095,000
2014	1,285,000	2025	2,200,000
2015	1,350,000	2026	2,310,000
2016	1,415,000	2027	2,425,000
2017	1,490,000	2028	2,545,000
2018	1,560,000		

The County will retire the 2007D 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.

\* Preliminary, subject to change.

### **Security**

The Obligations are general obligations of the County. The County has irrevocably covenanted that, for as long as any of the Obligations 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 Obligation 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 Obligations 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 its outstanding bonds and notes when due.

### **Bidding Information**

Bidders are invited to submit bids for the purchase of any series of the Obligations fixing the interest rates that such series of the Obligations 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 in a series of the Bonds or for the 2007 Notes. 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 Bonds that is less than an amount equal to 99 percent of the par value of the Bonds nor more than an amount equal to 106 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.

No bid will be considered for the 2007 Notes that is less than an amount equal to 98 percent nor more than an amount equal to 102 percent of the par value of the 2007 Notes, or for less than the entire offering of the 2007 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.

### **Adjustment of Par Amount**

The County reserves the right to increase or decrease the total par amount of each series of the Bonds by ten percent of the total par amount of such series of the Bonds, and to increase or decrease the total par amount of the Notes by ten percent of the total par amount of the Notes. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of each series of the Bonds by up to the greater of \$75,000 or 20 percent of the preliminary principal amount of that maturity.

### **Good Faith Deposit**

All bids shall be accompanied by a good faith deposit, which shall be in the amount of \$100,000 for the 2007C Bonds, \$350,000 for the 2007D Bonds, and \$450,000 for the 2007 Notes. The good faith deposit for the applicable series shall be in the form of 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 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 Obligations of any 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 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 for each series of the Obligations will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of applicable series of Obligations on the delivery of such series of Obligations to the successful bidder. Pending delivery of the applicable series of Obligations, the good faith deposit may be invested for the sole benefit of the County.

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

#### **Award**

The Obligations of each series will be sold to the bidder making a bid for that series of Obligations that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid for such series of the Obligations. 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 such series of the Obligations and to the price bid.

If there are two or more equal bids for any series of the Obligations 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 Obligations of that series may be readvertised for sale in the manner provided by law and as provided above. Any bid for the Obligations 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 Obligations, the successful bidder for such series of the Obligations shall advise the County and Bond Counsel of the initial reoffering prices to the public of such series of Obligations (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Obligations, the successful bidder for each series of the Obligations shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the applicable Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the applicable series of Obligations has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the prices at which a substantial amount of the applicable series of Obligations was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) stating the prices at which any portion of the applicable series of Obligations that remains unsold at the date of closing would have been sold on the date such series of Obligations was awarded, and

- (v) stating the offering price of each portion of the applicable series of Obligations sold to institutional or other investors at discount.

#### **Delivery**

The County will deliver the Obligations (consisting of one word-processed certificate for each maturity of each series of Obligations) 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 November 1, 2007.

It is understood that if, prior to the delivery of any series of the Obligations, the interest receivable by the owners of such series of Obligations 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 Obligations, the successful bidder for such series of Obligations, at its option, may be relieved of its obligation to purchase such series of Obligations, and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Gottlieb, Fisher & Andrews PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Obligations. 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 Obligations, 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 Obligations.

#### **CUSIP Numbers**

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

#### **Ongoing Disclosure Undertaking**

To assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the motions accepting the bids for the Obligations, 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(s) 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 each series of the Obligations. 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 Obligations, 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 Obligations, 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 Obligations, 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 10th day of October, 2007.

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

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