

New Issue  
Full Book-Entry Only

Moody's Rating: Aa1  
(See "Rating" herein.)

*In the opinion of Preston Gates & Ellis LLP, Bond Counsel, interest on the Certificates is excluded from gross income subject to federal income taxation pursuant to the Internal Revenue Code of 1986, as amended, subject to certain conditions and assumptions described herein under "Tax Exemption." The Certificates are not private activity bonds. Interest on the Certificates is included in the computation of certain federal taxes on corporations.*

# King County, Washington

## \$5,900,000 CERTIFICATES OF PARTICIPATION, 1998

### Evidencing Undivided Proportionate Beneficial Interests in General Obligation Lease Payments by King County, Washington, as Lessee Under a Lease for the Issaquah District Court

DATED: September 15, 1998

DUE: December 1, as shown on inside cover

Certificates of Participation are being executed and delivered pursuant to a Trust Agreement dated as of September 1, 1998 (the "Trust Agreement") by and between U.S. Bank Trust, National Association, as trustee (the "Trustee") and Issaquah Courthouse, LLC (the "Developer"), and approved and accepted by King County, Washington (the "County"), to provide long-term financing for the acquisition of land and the construction thereon of courthouse facilities (together, the "Project") by the Developer intended for use by the Issaquah District Court. The Certificates evidence and represent undivided proportionate beneficial interests of the owners thereof in the lease payments (the "Lease Payments") required to be made by the County to the Developer pursuant to a Lease dated as of September 1, 1998 (the "Lease"), by and between the Developer and the County. Pursuant to an Assignment of Lease dated as of September 1, 1998, the Developer will have assigned all of its right, title and interest in and to the Lease Payments to the Trustee.

The Certificates are issuable only in fully registered form and, when issued, will be registered in the name of Cede & Co., as certificate owner and nominee for DTC. DTC will act as securities depository for the Certificates. The Certificates will be initially issued in book-entry only form in the value of \$5,000 or any integral multiple thereof within a single maturity. Purchasers will not receive physical certificates representing their interest in the Certificates purchased. The Certificates bear interest payable on December 1, 1998, and semiannually thereafter each June 1 and December 1 to maturity or earlier redemption thereof. The principal of and interest on the Certificates are payable by the Trustee. For so long as the Certificates remain in a "book-entry only" transfer system, the Trustee will make such payments only to DTC, which is obligated to remit such principal and interest to its participants for subsequent disbursement to Beneficial Owners of the Certificates as described herein under "Book-Entry Only System."

The Certificates are subject to special mandatory redemption in whole or in part on December 15, 1999 (which date may be extended to June 1, 2000, in certain circumstances) if Substantial Completion has not occurred by December 1, 1999, or in the event of a partial taking, as set forth herein under the caption "The Certificates—Special Mandatory Redemption." The Certificates also are otherwise subject to optional redemption as further set forth under "The Certificates—Optional Redemption."

The obligation of the County to make Lease Payments does not arise until the Substantial Completion Date (as herein defined). Lease Payments due and payable prior to such date will be paid solely from Prepaid Rent (as herein defined). From and after the Substantial Completion Date, the obligation of the County to make Lease Payments constitutes a limited tax general obligation of the County. The County has pledged to include in its budget and to levy taxes annually, within and as a part of the tax levy permitted to counties without a vote of the people, upon all property within the County subject to taxation, in an amount sufficient, together with all other money legally available therefor, to pay the Lease Payments as the same shall become due. The full faith, credit and resources of the County are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of the Lease Payments.

The obligation of the County to make Lease Payments is not subject to appropriation or abatement. From and after the Substantial Completion Date, the obligation of the County is absolute and unconditional, and until such time as the Lease Payments are fully paid and the Certificates are no longer outstanding, the County will not, under any circumstances, discontinue or suspend any Lease Payments required to be made by it, whether or not the Project is damaged or destroyed or the use of the Project by the County is suspended, interfered with, reduced or curtailed, or terminated in whole or in part.

The Certificates are offered when, as and if issued, subject to approval of legality by Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, and certain other conditions. The form of Bond Counsel's opinion is attached hereto as Appendix D. Certain matters will be passed upon by Gottlieb, Fisher & Andrews, PLLC, Counsel to the Underwriter, and by Foster Pepper & Shefelman PLLC, Counsel to the Developer. It is anticipated that the Certificates in definitive book-entry form will be ready for delivery at DTC in New York, New York, on or about September 29, 1998.

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.*

Dated: September 14, 1998

Salomon Smith Barney