COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2003

2003 ASSESSED VALUE	$ 235,834,254,423
Debt limit of limited tax (LT) general obligations for metropolitan functions	
3/4% of assessed value	$ 1,768,756,908
Less: Net LT general obligation indebtedness for metropolitan functions	(518,046,521)
LT GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	$ 1,250,710,387
Debt limit of LT general obligations for general county purposes and metropolitan functions - 1½% of assessed value	$ 3,537,513,816
Less: Net LT general obligation indebtedness for general county purposes	(888,269,816)
Net LT general obligation indebtedness for metropolitan functions	(518,046,521)
Net total LT general obligation indebtedness for general county purposes and metropolitan functions	(1,406,316,337)
LT GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES AND METROPOLITAN FUNCTIONS	$ 2,131,197,479
Debt limit of total general obligations for metropolitan functions	
2½% of assessed value	$ 5,895,856,361
Less: Net total general obligation indebtedness for metropolitan functions	(518,046,521)
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	$ 5,377,809,840
Debt limit of total general obligations for general county purposes	
2½% of assessed value	$ 5,895,856,361
Less: Net unlimited tax general obligation indebtedness for general county purposes	(219,867,226)
Net LT general obligation indebtedness for general county purposes	(888,269,816)
Net total general obligation indebtedness for general county purposes	(1,108,137,042)
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES	$ 4,787,719,319

Debt Limitation: Under Washington state law (Revised Code of Washington (RCW) 39.36.020), a county may incur general obligation debt for general county purposes in an amount not to exceed 2½ percent of the assessed value of all taxable property within the county. State law requires all property to be assessed at 100 percent of its true and fair value. Unlimited tax general obligation debt requires an approving vote of the people, and any election to validate such general obligation debt must have a voter turnout of at least 40 percent of those who voted in the last State general election and, of those voting, 60 percent must be in the affirmative. The County Council may by resolution authorize the issuance of limited tax general obligation debt in an amount up to 1½ percent of assessed value of property within the County for general county purposes and 3/4 percent for metropolitan functions, but the total of limited tax general obligation debt for general county purposes and metropolitan functions should not exceed 1½ percent of the assessed value. No combination of limited and unlimited tax debt, for general county purposes, and no combination of limited and and unlimited tax debt, for metropolitan functions, may exceed 2½ percent of the valuation. The debt service on unlimited tax debt is secured by excess property tax levies, whereas the debt service on limited tax debt is secured by property taxes collected within the $1.80 per $1,000 of assessed value operating levy.