



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

January 10, 2011

Motion 13406

Proposed No. 2011-0020.2

Sponsors Patterson

1 A MOTION of the county council approving a bid for the
2 county's Sewer Revenue Bonds, 2011, in the aggregate
3 principal amount of \$175,000,000 and establishing certain
4 terms of such bonds, all in accordance with Ordinance
5 16868.

6 WHEREAS, the county council by Ordinance 16868 passed on June 28, 2010 (the
7 "Bond Ordinance"), authorized the issuance and sale of bonds of the county payable from
8 sewer revenues, as follows: (i) not to exceed \$475,000,000 principal amount of bonds to
9 pay costs of certain capital improvements to the county's sewer system (the "System") in
10 accordance with the county's comprehensive water pollution abatement plan (the "Project
11 Bonds") and (ii) not to exceed \$1,000,000,000 principal amount of bonds to refund
12 certain outstanding bonds payable from sewer revenues (the "Refunding Bonds"), and

13 WHEREAS, the Bond Ordinance authorizes such bonds to be sold in one or more
14 series, as Parity Bonds or Parity Lien Obligations (as such terms are defined in the Bond
15 Ordinance), as Tax-Exempt Bonds, Tax-Benefited Bonds or otherwise, and by negotiated
16 sale or competitive bid, as determined by the county's director of finance and business
17 operations division (the "Finance Director") in consultation with the county's financial
18 advisors, and

19 WHEREAS, the Finance Director has determined that \$175,000,000 principal
20 amount of Project Bonds be sold in a series of Parity Bonds in the aggregate principal
21 amount of \$175,000,000 to be designated as the county's Sewer Revenue Bonds, 2011
22 (the "Bonds"), structured as Tax-Exempt Bonds, and sold by competitive bid, and

23 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement
24 dated December 30, 2010, has been prepared for the sale of the Bonds, the Official
25 Notice of Bond Sale (the "Notice") has been distributed, and bids have been received in
26 accordance 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
35 in this motion have the meanings set forth in the Bond Ordinance.

36 B. Ratification of Notice of Sale, Acceptance of Bid and Authorization of
37 Bonds. The issuance of the Bonds, designated as set forth in the recitals of this motion,
38 and the terms and conditions thereof as set forth in the Official Notice of Bond Sale,
39 attached hereto as Attachment A (the "Notice"), are hereby ratified and confirmed, and
40 Purchaser's bid to purchase the Bonds, as set forth on Attachment B (the "Bid"), is hereby
41 accepted. The Bonds shall bear interest at the rates set forth in the Bid and shall conform

42 in all 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. Satisfaction of Parity Conditions. In accordance with the provisions of the
45 ordinances authorizing the issuance of the currently outstanding Parity Bonds, which
46 permit the issuance of additional Parity Bonds upon compliance with the conditions set
47 forth therein (the "Parity Conditions"), the county council hereby finds and determines, as
48 follows:

49 (i) The Bonds are to be issued for the purpose of acquiring,
50 constructing and installing portions of the Comprehensive Plan and for acquiring,
51 constructing and installing necessary renewals or replacements of the System.

52 (ii) There is not now, and when the Bonds are issued there will not
53 then be, any deficiency in the Parity Bond Fund or any account therein.

54 (iii) The Bond Ordinance provides for payment out of the Parity Bond
55 Fund of the principal of and interest on the Bonds and this motion provides for
56 satisfaction of the Reserve Requirement, as required by the Parity Conditions.

57 (iv) The county will have on file at the Closing of the Bonds a
58 certificate of the Finance Director to satisfy the revenue test for issuance of Future Parity
59 Bonds required by the Parity Conditions.

60 The applicable Parity Conditions having been complied with in connection
61 with the issuance of the Bonds, the pledge contained in the Bond Ordinance of Revenue
62 of the System to pay and secure the payment of the Bonds shall constitute a lien and
63 charge upon such revenue equal in rank with the lien and charge upon the Revenue of the
64 System to pay and secure the payment of the outstanding Parity Bonds.

65 D. Application of Bond Proceeds; Satisfaction of Reserve Requirement. In
66 accordance with Section 15.A of the Bond Ordinance, there is hereby established a
67 special subaccount within the Construction Account to be designated as the Series 2011
68 Construction Subaccount (the "Construction Subaccount"). Proceeds of the Bonds
69 (exclusive of accrued interest, if any, which shall be deposited into the Debt Service
70 Account in the Parity Bond Fund) shall be deposited in the Construction Subaccount and
71 applied to pay costs of improvements to the System and costs of issuance of the Bonds, in
72 accordance with Section 15.A of the Bond Ordinance.

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

76 E. Undertaking to Provide Ongoing Disclosure.

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

80 2. Financial Statements/Operating Data. The county agrees to
81 provide or cause to be provided to the MSRB the following annual financial information
82 and operating data for the prior fiscal year (commencing in 2011 for the fiscal year ended
83 December 31, 2010):

84 (a) Annual financial statements, which may or may not be audited,
85 showing year-end fund balance for the County's Water Quality Enterprise fund prepared
86 in accordance with the Budget Accounting and Reporting System ("BARS") prescribed
87 by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes)

88 and generally of the type included in the Official Statement for the Bonds as Appendix C:
89 King County Water Quality Enterprise 2009 Audited Financial Statements;

90 (b) the amount of outstanding Parity Bonds; and

91 (c) Information regarding customers, revenues and expenses of the
92 Sewer System as set forth in the Official Statement for the Bonds in the table titled
93 "Historical Customers, Revenues and Expenses."

94 Items (b) and (c) shall be required only to the extent that such information is not
95 included in the annual financial statements.

96 Such annual information and operating data described above shall be provided on
97 or before the end of seven months after the end of the county's fiscal year. The county's
98 fiscal year currently ends on December 31. The county may adjust such fiscal year by
99 providing written notice of the change of fiscal year to the MSRB. In lieu of providing
100 such annual financial information and operating data, the county may cross-refer to other
101 documents available to the public on the MSRB's internet website or filed with the
102 Commission.

103 If not provided as part of the annual financial information discussed above, the
104 county shall provide to the MSRB the county's audited annual financial statement
105 prepared in accordance with BARS when and if available to the MSRB.

106 3. Material Events. The county agrees to provide or cause to be
107 provided to the MSRB in a timely manner, not in excess of ten business days after the
108 occurrence of the event, notice of any of the following events with respect to the Bonds:

109 (a) Principal and interest payment delinquencies;

110 (b) Non-payment related defaults, if material;

- 111 (c) Unscheduled draws on debt service reserves reflecting financial
112 difficulties;
- 113 (d) Unscheduled draws on credit enhancements reflecting financial
114 difficulties;
- 115 (e) Substitution of credit or liquidity providers, or their failure to
116 perform;
- 117 (f) Adverse tax opinions, the issuance by the Internal Revenue Service
118 of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
119 5701-TEB) or other material notices or determinations with respect to the tax status of the
120 Bonds, or other material events affecting the tax status of the Bonds;
- 121 (g) Modifications to rights of Bond holders, if material;
- 122 (h) Bond calls, if material, and tender offers for the Bonds;
- 123 (i) Defeasances;
- 124 (j) Release, substitution or sale of property securing repayment of the
125 Bonds, if material;
- 126 (k) Rating changes;
- 127 (l) Bankruptcy, insolvency, receivership, or similar event of any
128 “obligated person” (as such term is defined in the Rule;
- 129 (m) The consummation of a merger, consolidation or acquisition
130 involving an obligated person or the sale of all or substantially all of the assets of the
131 obligated person, other than in the ordinary course of business, the entry into a definitive
132 agreement to undertake such an action or the termination of a definitive agreement
133 relating to any such actions, other than pursuant to its terms, if material; and

134 (n) Appointment of a successor or additional trustee or the change of
135 name of a trustee, if material.

136 Solely for purposes of disclosure, and not intending to modify this undertaking,
137 the county advises with reference to items (c) and (j) above that the Parity Bond Reserve
138 Account is the debt service reserve for the Bonds and no property secures repayment of
139 the Bonds.

140 4. Notification Upon Failure to Provide Financial Data. The county agrees to
141 provide or cause to be provided , in a timely manner to the MSRB notice of its failure to
142 provide the annual financial information described in subsection 2 above on or prior to
143 the date set forth in subsection 2 above.

144 5. EMMA; Format for Filings with the MSRB. Until otherwise designated
145 by the MSRB or the Commission, any information or notices submitted to the MSRB in
146 compliance with the Rule are to be submitted through the MSRB's Electronic Municipal
147 Market Access system ("EMMA"), currently located at www.emma.msrb.org. All
148 notices, financial information and operating data required by this undertaking to be
149 provided to the MSRB must be in an electronic format as prescribed by the MSRB. All
150 documents provided to the MSRB pursuant to this undertaking must be accompanied by
151 identifying information as prescribed by the MSRB.

152 6. Termination/Modification. The county's obligations to provide annual
153 financial information and notices of material events shall terminate upon the legal
154 defeasance or payment in full of all of the Bonds. These obligations, or any provision of
155 this section, shall be null and void if the county (i) obtains an opinion of nationally
156 recognized bond counsel to the effect that those portions of the Rule that require these

157 obligations, or any such provision, are invalid, have been repealed retroactively or
158 otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such opinion and the
159 cancellation of these obligations.

160 Notwithstanding any other provision of this motion, the county may amend this
161 Section E and any provision of this Section E may be waived, with an approving opinion
162 of nationally recognized bond counsel and in accordance with the Rule.

163 In the event of any amendment or waiver of a provision of this Section E, the
164 county shall describe such amendment in the next annual report, and shall include, as
165 applicable, a narrative explanation of the reason for the amendment or waiver and its
166 impact on the type (or in the case of a change of accounting principles, on the
167 presentation) of financial information or operating data being presented by the county. In
168 addition, if an amendment relates to the accounting principles to be followed in preparing
169 financial statements, (i) notice of such change shall be given in the same manner as for a
170 material event under subsection 3, and (ii) the annual report for the year in which the
171 change is made should present a comparison (in narrative form and also, if feasible, in
172 quantitative form) between the financial statements as prepared on the basis of the new
173 accounting principles and those prepared on the basis of the former accounting principles.

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

180 or consent with respect to, or to dispose of ownership of, any Bonds, including persons
181 holding Bonds through nominees or depositories.

182 F. Further Authority. The county officials, their agents, attorneys and
183 representatives are hereby authorized and directed to do everything necessary for the
184 prompt issuance and delivery of the Bonds and for the proper use and application of the
185 proceeds of such sale.

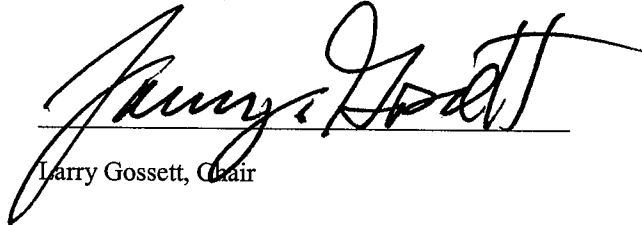
186 G. Severability. If any provision in this motion is declared by any court of
187 competent jurisdiction to be contrary to law, then such provision shall be null and void

188 and shall be deemed separable from the remaining provisions of this motion and shall in
189 no way affect the validity of the other provisions of this motion or of the Bonds.
190

Motion 13406 was introduced on 1/10/2011 and passed by the Metropolitan King County Council on 1/10/2011, by the following vote:

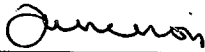
Yes: 8 - Mr. Phillips, Mr. Gossett, Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr. McDermott
No: 0
Excused: 1 - Mr. von Reichbauer

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Official Notice of Bond Sale King County, Washington \$175,000,000 Sewer Revenue Bonds, 2011, B. Citigroup Global Market Inc. - New York, NY's Bid King County \$175,000,000 Sewer Revenue Bonds, 2011

OFFICIAL NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

\$175,000,000

SEWER REVENUE BONDS, 2011

Electronic bids for the Sewer Revenue Bonds, 2011 (the "Bonds"), of King County, Washington (the "County"), will be received via BiDCOMP/PARITY ("Parity") in the manner described below until

9:00 A.M., PACIFIC TIME, ON JANUARY 10, 2011,

or at such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 18 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 by a Sale Motion at such meeting.

The Bonds will be sold on an all-or-none basis. Bids for the Bonds must be submitted electronically via Parity in accordance with its Rules of Participation and this notice, and no bid will be received after the time for receiving bids specified above. For further information about Parity, potential bidders may contact 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, will control.
- (ii) 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 has no duty or obligation to provide or assure access to Parity, and is not 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 will 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 18 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, will be considered an amendment to this Official Notice of Bond Sale.

A copy of the County's Preliminary Official Statement (with this Official Notice of Sale), dated December 30, 2010, and further information regarding the details of the Bonds may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at www.i-dealprospectus.com, or upon request to the King County Finance and Business Operations Division (the "Finance Division") or the County's financial advisor. See "Contact Information."

Contact Information

Finance Division	Nigel Lewis King County (206) 296-1168 <i>nigel.lewis@kingcounty.gov</i>
Financial Advisor	Rob Shelley Seattle-Northwest Securities Corporation Office: (206) 628-2879 Day of Bond Sale: (206) 601-2249 <i>rshelley@snwsc.com</i>
Bond Counsel	David Thompson K&L Gates LLP (206) 623-7580 <i>david.thompson@klgates.com</i>

Description of the Bonds

The Bonds will be dated the date of their initial delivery. The Bonds bear interest payable semiannually on each January 1 and July 1, beginning July 1, 2011, to the maturity or earlier redemption of the Bonds.

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, currently The Bank of New York Mellon in New York, 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 Bonds.

Election of Maturities

The bidder for the Bonds will designate whether the principal amounts of the Bonds as set forth below will 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 Installment</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts</u>
2014	\$ 3,205,000	2028	\$ 5,820,000
2015	3,300,000	2029	6,110,000
2016	3,435,000	2030	6,415,000
2017	3,570,000	2031	6,740,000
2018	3,715,000	2032	7,075,000
2019	3,860,000	2033	7,465,000
2020	4,015,000	2034	7,875,000
2021	4,175,000	2035	8,310,000
2022	4,345,000	2036	8,765,000
2023	4,560,000	2037	9,245,000
2024	4,790,000	2038	9,755,000
2025	5,030,000	2039	10,290,000
2026	5,280,000	2040	10,855,000
2027	5,545,000	2041	11,455,000

The County will deposit certain money as provided in the Bond Ordinance and will retire the Bonds by purchase or redemption on or before January 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

Redemption of the Bonds

The County reserves the right to redeem outstanding Bonds maturing on or after January 1, 2022, in whole or in part, at any time on or after January 1, 2021, at the price of par plus accrued interest, if any, to the date fixed for redemption. In addition, the Bonds may be subject to mandatory redemption if the successful bidder for the Bonds specifies term bonds.

Security

The Bonds are secured by a pledge of Revenue of the System subject to prior payment of all Operating and Maintenance Expenses of the Sewer System. The lien of the Bonds on Revenue of the System is equal to the lien securing the outstanding Parity Bonds and any Future Parity Bonds, and senior to all other obligations of the Sewer System except Operating and Maintenance Expenses.

The County has always met principal and interest payments on 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 must 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 must be without condition and may only 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 110 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. For the purpose of the preceding sentence, "price" is defined as the lesser of the price at the redemption date or the price at the maturity date.

For the purpose of comparing bids only, the interest rate bid being controlling, each bid must 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.

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

The successful bidder for the Bonds is required to deliver a good faith deposit in the amount of \$1,750,000 by federal funds wire transfer to the Treasury Section of the Finance Division by no later than 90 minutes following the successful bidder's receipt of the verbal award. Wiring instructions will be provided to the successful bidder at the time of the verbal award.

The good faith deposit of the successful bidder for 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 40 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 will not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for the 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 will 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, will be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued will not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of 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 only of comparing bids, 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. 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.

Issue Price Information

Upon award of the Bonds, the successful bidder will 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 is required to 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 (at least ten percent) 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 will occur within 40 days after the sale date. Settlement will be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be January 25, 2011.

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 Gates 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 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 of the Bonds thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

The successful bidder for the Bonds is responsible for obtaining CUSIP numbers for the Bonds. The charge of the CUSIP Service Bureau will be paid by the successful bidder; however, all expenses for printing the CUSIP numbers on the Bonds will be paid by the County.

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 this Preliminary Official Statement and will also be set forth in the final Official Statement.

Preliminary Official Statement

This Preliminary Official Statement is in a form that the County has deemed final 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, in sufficient quantities to permit the successful bidder to comply with SEC Rule 15c2-12(b)(1).

By submitting the successful proposal, the purchaser's designated senior representative agrees:

- (i) to provide to the Finance Division, in writing, within 24 hours after the acceptance of the bid, pricing and other related information, including the Initial Reoffering Prices of the Bonds, necessary for completion of the final Official Statement;
- (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the County;
- (iii) to take any and all actions necessary to comply with applicable rules of the SEC and Municipal Securities Rulemaking Board ("MSRB") governing the offering, sale and delivery of the Bonds to ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases the Bonds; and
- (iv) to file the final Official Statement or cause it to be filed with the MSRB within one business day following its receipt from the County.

Official Statement

At closing, the County will furnish a certificate of an official or officials of the County, stating that, to the best knowledge of such official(s) and relying on the opinions of Bond Counsel where appropriate, as of the date of the Official Statement and as of the date of delivery of the Bonds,

- (i) the information (including financial information) regarding the County contained in the Official Statement was and is true and correct in all material respects and did not and does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (however, the County will make no representation regarding Bond Counsel's form of opinion or the

information provided by DTC, The Bank of New York Mellon, or any entity providing bond insurance, reserve insurance or other credit facility); and

- (ii) the descriptions and statements, including financial data, of or pertaining to other bodies and their activities contained in the Official Statement have been obtained from sources that the County believes to be reliable, and the County has no reason to believe that they are untrue in any material respect.

DATED at Seattle, Washington, this 30th day of December, 2010.

/s/

Clerk of the Metropolitan King County Council

Citigroup Global Markets Inc. - New York , NY's Bid
King County
\$175,000,000 Sewer Revenue Bonds, 2011



For the aggregate principal amount of \$175,000,000.00, we will pay you \$179,516,001.00, 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 %
01/01/2014	3,205M	5.0000
01/01/2015	3,300M	5.0000
01/01/2016	3,435M	5.0000
01/01/2017	3,570M	5.0000
01/01/2018	3,715M	5.0000
01/01/2019	3,860M	5.0000
01/01/2020	4,015M	5.0000
01/01/2021	4,175M	5.0000
01/01/2022	4,345M	5.0000
01/01/2023	4,560M	5.0000
01/01/2024	4,790M	5.0000
01/01/2025	5,030M	5.0000
01/01/2026	5,280M	5.0000
01/01/2027	5,545M	5.2500
01/01/2028	5,820M	5.2500
01/01/2029	6,110M	5.2500
01/01/2030	6,415M	5.2500
01/01/2031	6,740M	5.2500
01/01/2032	7,075M	5.2500
01/01/2033		
01/01/2034	15,340M	5.0000
01/01/2035		
01/01/2036		
01/01/2037	26,320M	5.1250
01/01/2038		
01/01/2039		
01/01/2040		
01/01/2041	42,355M	5.1250

Total Interest Cost: \$174,884,265.83
Premium: \$4,516,001.00
Net Interest Cost: \$170,368,264.83
TIC: 4.899215
Time Last Bid Received On:01/10/2011 8:59:41 PST

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.

13406

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: _____