



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**May 24, 2011**

**Motion 13482**

**Proposed No. 2011-0236.2**

**Sponsors Patterson**

1           A MOTION of the county council accepting a bid for the  
2           purchase of the county's Limited Tax General Obligation  
3           Bond Anticipation Notes, 2011, Series B in the aggregate  
4           principal amount of \$82,295,000 and establishing certain  
5           terms of such notes in accordance with Ordinance 16785.

6           WHEREAS, pursuant to Ordinance 16785 (the "Ordinance"), the county council  
7           authorized the issuance of one or more series of its limited tax general obligation bonds  
8           in an outstanding aggregate principal amount not to exceed \$95,000,000 to provide long-  
9           term financing for the ABT Project, defined and described in the Ordinance, and further  
10          authorized the issuance and public sale of one or more series of its limited tax general  
11          obligation bond anticipation notes in an outstanding aggregate principal amount not to  
12          exceed \$95,000,000 to provide interim financing for such project pending the issuance of  
13          the bonds, and

14          WHEREAS, the Ordinance provided that such bond anticipation notes may be  
15          sold at public sale, either by negotiated sale or by competitive bid, in one or more series  
16          as determined by the Finance Director in consultation with the county's financial advisor,  
17          and

18          WHEREAS, the Finance Director has determined that a series of such bond  
19          anticipation notes, to be designated as the county's Limited Tax General Obligation Bond

20 Anticipation Notes, 2011, Series B in the aggregate principal amount of \$82,295,000 (the  
21 "Notes"), be sold as provided herein, and

22 WHEREAS, currently, none of the bonds authorized by the Ordinance are  
23 outstanding. Currently, \$60,215,000 of the bond anticipation notes authorized by the  
24 Ordinance are outstanding, all of which will be repaid and retired with proceeds of the  
25 Notes on the date of issuance of the Notes. The aggregate principal amount of all such  
26 bonds and bond anticipation notes (including the Notes) to be outstanding on the date of  
27 issuance of the Notes will be \$82,295,000, which amount does not exceed \$95,000,000,  
28 and

29 WHEREAS, a preliminary official statement dated May 13, 2011, has been  
30 prepared for the public sale of the Notes, the official Notice of such sale dated May 13,  
31 2011 (as the "Notice"), has been duly published, and bids have been received in  
32 accordance with the Notice, and

33 WHEREAS, the attached bid of J.P. Morgan Securities LLC to purchase the  
34 Notes is the best bid received for the Notes, and it is in the best interest of the county that  
35 such Notes be sold to J.P. Morgan Securities LLC on the terms set forth in the Notice, the  
36 attached bid, the Ordinance and this motion;

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

38 A. Definitions. Except as expressly authorized herein, terms used in this motion  
39 have the meanings set forth in the Ordinance.

40 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
41 Notes. The issuance of the Notes, designated as the county's Limited Tax General  
42 Obligation Bond Anticipation Notes, 2011, Series B in the aggregate principal amount of

43 \$82,295,000, and the other terms and conditions thereof set forth in the Notice attached  
44 hereto as Attachment A, are hereby ratified and confirmed. The offer to purchase the  
45 Notes, as set forth in the bid of J.P. Morgan Securities LLC attached hereto as  
46 Attachment B, is hereby accepted. The Notes shall be dated their date of issue and  
47 delivery, shall mature on the date, and shall bear interest payable only at maturity at the  
48 rate specified in Attachment B. The Notes shall be Tax-Exempt Obligations, as defined  
49 in the Ordinance, and shall not be subject to redemption. The Notes shall conform in all  
50 other respects to the terms and conditions specified in the Notice and Ordinance.

51 C. Application of Note Proceeds. The proceeds, including original issue  
52 premium but net of the underwriter's discount, of the Notes received by the county shall  
53 be applied as follows: \$61,395,883.06 shall be deposited into the Limited Tax General  
54 Obligation Bond Anticipation Note Redemption Account, 2010 within the Limited Tax  
55 General Obligation Bond Redemption Fund and applied to provide interim financing for  
56 the ABT Project in the form of a current refunding (a "rollover") of the county's  
57 outstanding Limited Tax General Obligation Bond Anticipation Notes, 2010 pending the  
58 issuance of bonds and the receipt of bond proceeds to provide long-term financing  
59 therefor, and \$23,126,019.64 shall be deposited into the ABT BAN Subfund within the  
60 OIRM Capital Projects Fund and applied to provide additional interim new money  
61 financing for the ABT Project and to pay costs and expenses incurred in issuing the  
62 Notes.

63 D. Undertaking to Provide Ongoing Disclosure.

64 1. Contract/Undertaking. This section D. constitutes the county's limited  
65 written undertaking for the benefit of the owners and beneficial owners of the Notes as

66 required by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities and  
67 Exchange Commission.

68           2. Material Events. The county agrees to provide or cause to be provided, in a  
69 timely manner not in excess of ten business days after the occurrence of the event, to the  
70 MSRB, notice of the occurrence of any of the following events with respect to the Notes:

- 71           (a) principal and interest payment delinquencies;
- 72           (b) non-payment related defaults, if material;
- 73           (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 74           (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 75           (e) substitution of credit or liquidity providers, or their failure to perform;
- 76           (f) adverse tax opinions, the issuance by the Internal Revenue Service of  
77 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form  
78 5701-TEB) or other material notices or determinations with respect to the tax status of the  
79 Notes, or other material events affecting the tax status of the Notes;
- 80           (g) modifications to rights of Noteholders, if material;
- 81           (h) Note calls, if material, and tender offers;
- 82           (i) defeasances;
- 83           (j) release, substitution or sale of property securing repayment of the Notes, if  
84 material;
- 85           (k) rating changes;
- 86           (l) bankruptcy, insolvency, receivership, or similar event of the county;
- 87           (m) the consummation of a merger, consolidation or acquisition involving the  
88 county or the sale of all or substantially all of the assets of the county, other than in the

89 ordinary course of business, the entry into a definitive agreement to undertake such an  
90 action or the termination of a definitive agreement relating to any such actions, other than  
91 pursuant to its terms, if material; and

92 (n) appointment of a successor or additional trustee or the change of name of a  
93 trustee, if material.

94 Solely for purposes of disclosure, and not intending to modify this undertaking,  
95 the county advises with reference to items (c), (j) and (n) above that no debt service  
96 reserves secure payment of the Notes, no property secures repayment of the Notes, and  
97 there is no trustee for the Notes.

98 3. Electronic Format; Identifying Information. The county agrees that all  
99 documents provided to the MSRB pursuant to this section D. shall be provided in an  
100 electronic format and accompanied by such identifying information, each as prescribed  
101 by the MSRB.

102 4. Termination/Modification. The county's obligation to provide notices of  
103 material events shall terminate upon the legal defeasance, prior redemption or payment in  
104 full of all of the Notes. This section D., or any provision hereof, shall be null and void if  
105 the county (i) obtains an opinion of nationally recognized bond counsel to the effect that  
106 those portions of the rule which require this section D., or any such provision, are invalid,  
107 have been repealed retroactively or otherwise do not apply to the Notes; and (ii) notifies  
108 the MSRB of such opinion and the cancellation of this section D.

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

112           5. Note Owners' Remedies Under This Section D. The right of any Note owner  
113 or beneficial owner of Notes to enforce the provisions of this section D. shall be limited  
114 to a right to obtain specific enforcement of the county's obligations hereunder, and any  
115 failure by the county to comply with the provisions of this undertaking shall not be an  
116 event of default with respect to the Notes. For purposes of this section D., "beneficial  
117 owner" means any person who has the power, directly or indirectly, to vote or consent  
118 with respect to, or to dispose of ownership of, any Notes, including persons holding  
119 Notes through nominees or depositories.

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

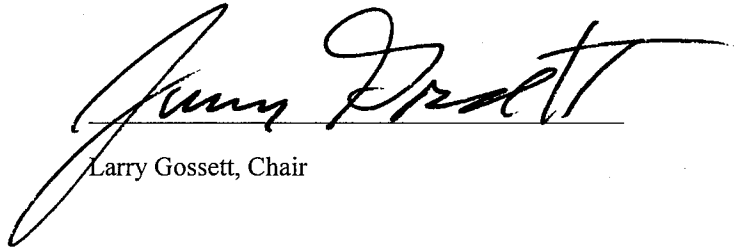
123           F. Severability. The covenants contained in this motion shall constitute a  
124 contract between the county and the owners of each and every Note. If any one or more  
125 of the covenants or agreements provided in this motion to be performed on the part of the  
126 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
127 such covenant or covenants, agreement or agreements, shall be null and void and shall be

128 deemed separable from the remaining covenants and agreements of this motion and shall  
129 in no way affect the validity of the other provisions of this motion or of the Notes.  
130

Motion 13482 was introduced on 5/23/2011 and passed by the Metropolitan King County Council on 5/23/2011, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.  
McDermott  
No: 0  
Excused: 0

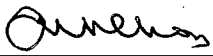
KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



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Larry Gossett, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments:** A. Official Notice of Sale \$83,495,000 King County, Washington Limited Tax General Obligation Bond Anticipation Notes, 2011, Series B, B. J.P. Morgan Securities LLC - New York, NY's Bid King County \$83,495,000 Limited Tax General Obligation Bond Anticipation Notes, 2011, Series B

**OFFICIAL NOTICE OF SALE**  
**\$83,495,000\***  
**KING COUNTY, WASHINGTON**  
**LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2011, SERIES B**

Electronic bids for the Limited Tax General Obligation Bond Anticipation Notes, 2011, Series B (the "Notes"), of King County, Washington (the "County"), will be received via BiDCOMP/PARITY ("Parity") in the manner described below on

**MAY 23, 2011, AT 9:00 A.M., PACIFIC TIME,**

or at such later date or time as may be established by the Director (the "Finance Director") of the Finance and Business Operations Division (the "Finance Division") of the King County Department of Executive Services 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 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 for the Notes, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

The Notes will be sold on an all-or-none basis. Bids for the Notes 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 Notes, each 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, 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 Sale.
- (iii) The County has no duty or obligation to provide or assure access to Parity, and will 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) Upon acceptance of a bid by the County, this Official Notice of 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 Notes are rejected, the Finance Director may fix a new date and time for the receipt of bids for the Notes 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 Sale.

A copy of the County's Preliminary Official Statement (with this Official Notice of Sale), dated May 13, 2011, and further information regarding the details of the Notes may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), or upon request to the Finance Division or the County's financial advisor. See "Contact Information."

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\* Preliminary, subject to change.



**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 Sale (206) 601-2249 <i>rshelley@snwsc.com</i>
Bond Counsel	Dan Gottlieb Gottlieb Fisher PLLC (206) 654-1999 <i>dan@goandfish.com</i>

**Description of the Notes**

The Notes will be dated the date of their initial delivery. Interest on the Notes will be payable only 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 DTC. 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 Mellon in New York, New York (the "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 they 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 the principal and interest on the Notes as they become due.

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 the Notes fixing the interest rate that the Notes will bear. The interest rate bid must be in a multiple of 1/8 or 1/20 of 1%. Bids will be without condition and may only be submitted electronically via Parity.

No bid will be considered for the Notes that is less than an amount equal to 99.5% of the par value of the Notes nor more than an amount equal to 104% of the par value of the Notes, or for less than the entire offering 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**

The successful bidder for the Notes is required to deliver a good faith deposit in the amount of \$835,000 by federal funds wire transfer to the Treasury Section of the King County 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 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 Notes on the delivery of the Notes to the successful bidder. Pending delivery of the Notes, the good faith deposit for the Notes may be invested for the sole benefit of the County.

If the Notes are ready for delivery and the successful bidder fails to complete the purchase of the Notes within 30 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 Notes will 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 will 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, will be paid by such bidder. Any failure of the Notes 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 Notes.

**Award**

The Notes will be sold to the bidder making a bid for the 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, each bid must 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 the Notes and those bids are the best bids received, the Finance Director will determine by lot which bid will be presented to the County Council for its consideration. 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 Notes may be readvertised for sale in the manner provided by law and as provided above.

**Adjustment of Principal Amount and Bid Price After Bid Opening**

The County has reserved the right to increase or decrease the preliminary principal amount of the Notes by an amount not to exceed 5% of the principal amount of the Notes following the opening of the bids.

The price bid by the successful bidder for the Notes will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount. In the event that the County elects to alter the size of the Notes after the bid pursuant to this Official Notice of Sale, the underwriter's discount, expressed in dollars per thousand, will be held constant. The County will not be responsible in the event and to the extent that any adjustment affects (i) the net compensation to be realized by the successful bidder, or (ii) the true interest cost of the winning bid or its ranking relative to other bids.

**Issue Price Information**

Upon award of the Notes, the successful bidder for the Notes will advise the County and Bond Counsel of the initial reoffering price to the public of the Notes (the "Initial Reoffering Price"). Simultaneously with or before delivery of the Notes, the successful bidder for the Notes 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 Price;
- (ii) certifying that a *bona fide* offering of the Notes has been made to the public (excluding bond houses, brokers and other intermediaries);
- (iii) stating the prices at which a substantial amount (at least 10%) of the Notes was sold to the public (excluding bond houses, brokers and other intermediaries);
- (iv) stating the price at which any portion of the Notes that remains unsold at the date of closing would have been sold on the date the Notes were awarded; and
- (v) stating the offering price of each portion of the Notes sold to institutional or other investors at discount.

### **Delivery**

The County will deliver the Notes (consisting of one certificate) to DTC in New York, New York, or to the Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing will occur within 30 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 June 15, 2011.

If, prior to the delivery of the Notes, the interest receivable by the owners of the Notes 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, the successful bidder for the Notes, at its option, may be relieved of its obligation to purchase the Notes, and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Gottlieb Fisher PLLC, Seattle, Washington, Bond Counsel, will be provided to the 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 Preliminary Official Statement or other offering material relating to the Notes, nor will there be an opinion of Bond Counsel relating to the undertaking of the County to provide ongoing disclosure pursuant to Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"). 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 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 of the Notes to accept delivery of and pay for the Notes in accordance with the terms of this Official Notice of Sale.

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

### **Ongoing Disclosure Undertaking**

To assist bidders in complying with paragraph (b)(5) of the Rule, 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**

The Preliminary Official Statement is in a form that the County expects to deem final for the purpose of paragraph (b)(1) of the Rule, but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the County's expense, to each purchaser through its designated representative 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 the Rule.

By submitting the successful proposal for the Notes, 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 Price of the Notes, 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 Notes to ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases the Notes; 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 Notes,

- (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 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 13th day of May, 2011.

/s/ \_\_\_\_\_

Clerk of the Metropolitan King County Council

