



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 12, 2012

Motion 13645

Proposed No. 2012-0107.2

Sponsors McDermott

1 A MOTION of the county council accepting a bid for the
2 purchase of the county's Limited Tax General Obligation
3 Bonds, 2012, Series A, in the aggregate principal amount of
4 \$65,935,000, and establishing certain terms of such bonds
5 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 of one or more series of its limited tax general obligation bond
11 anticipation notes in an outstanding aggregate principal amount not to exceed
12 \$95,000,000 to provide interim financing for the ABT Project pending the issuance of the
13 bonds, and

14 WHEREAS, the Ordinance provided that such bonds may be sold at public sale,
15 either by negotiated sale or by competitive bid, in one or more series as determined by
16 the director of the finance and business operations division of the department of
17 executive services of the county (the "Finance Director") in consultation with the county's
18 financial advisors, and

19 WHEREAS, the Finance Director has determined that a series of such bonds, to
20 be designated as the county's Limited Tax General Obligation Bonds, 2012, Series A, in
21 the aggregate principal amount of \$65,935,000 (the "Bonds"), shall be sold to provide
22 long-term financing for the ABT Project as provided herein, and

23 WHEREAS, currently, none of the bonds and \$82,295,000 of the bond
24 anticipation notes authorized by the Ordinance are outstanding, all of which will be
25 repaid and retired with proceeds of the Bonds and unexpended proceeds of such bond
26 anticipation notes on the date of issuance of the Bonds, and the aggregate principal
27 amount of all such bonds and bond anticipation notes (including the Bonds) to be
28 outstanding on the date of issuance of the Bonds will be \$65,935,000, which amount does
29 not exceed \$95,000,000, and

30 WHEREAS, a preliminary official statement dated March 2, 2012, has been
31 prepared for the public sale of the Bonds, the official notice of such sale dated March 2,
32 2012 (the "Notice"), has been duly published, and bids have been received in accordance
33 with the Notice, and

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

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

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

41 B. Ratification of Notice, Acceptance of Bids, and Authorization of Bonds. The
42 issuance of the Bonds, designated as the county's "Limited Tax General Obligation
43 Bonds, 2012, Series A," in the aggregate principal amount of \$65,935,000, to provide
44 long-term financing for the ABT Project, and the other terms and conditions thereof set
45 forth in the Notice attached hereto as Attachment A, are hereby ratified and confirmed.
46 The offer to purchase the Bonds, as set forth in the bid of J.P. Morgan Securities LLC
47 attached hereto as Attachment B, which shall be deemed to be adjusted to reflect the
48 changed aggregate principal amount and the changed principal amounts of the maturities
49 of the Bonds, as and to the extent permitted by the Notice, is hereby accepted. The
50 Bonds shall be dated their date of issue and delivery, and shall be subject to optional
51 redemption as set forth in the Notice. The Bonds shall mature on the dates and in the
52 amounts, and shall bear interest at the rates, all as specified in Attachment C. The Bonds
53 shall be Tax-Exempt Obligations, as defined in the Ordinance. The Bonds shall conform
54 in all other respects to the terms and conditions specified in the Notice and the Ordinance.

55 C. Long-Term Financing Plan. In accordance with the Ordinance, the proceeds
56 of the Bonds (including original issue premium but net of the underwriter's discount)
57 shall be used to provide long-term financing for the ABT Project in the form of a current
58 refunding and defeasance of the county's outstanding Limited Tax General Obligation
59 Bond Anticipation Notes, 2011, Series B (the "Notes").

60 There is hereby authorized to be created a special trust account to be maintained
61 in escrow with U.S. Bank National Association (the "Escrow Agent"), which will be
62 known as the "King County Limited Tax General Obligation Bond Anticipation Notes,
63 2011, Series B, Refunding Account" (the "Refunding Account"). The Refunding

64 Account shall consist of the Escrow Subaccount and the Issuance Costs Subaccount. The
65 Refunding Account is to be drawn upon for the purpose of paying the principal of and
66 interest on the Notes to be refunded by the Bonds and paying costs of issuing the Bonds.

67 Net proceeds of the Bonds in the amount of \$79,309,548.53 and unexpended
68 proceeds of the Notes in the amount of \$5,430,000.00 shall be deposited in and credited
69 to the Escrow Subaccount of the Refunding Account. To accomplish the current
70 refunding and defeasance of the Notes, the Escrow Agent shall purchase certain
71 noncallable Government Obligations with a portion of such funds in the Escrow
72 Subaccount and shall hold the remainder as the initial cash balance, all as identified in
73 Attachment D. Such noncallable Government Obligations bear such interest and mature
74 as to principal and interest in such amounts and at such time(s) which, together with the
75 initial cash balance, will provide for the payment of the principal of and the interest on
76 the Notes coming due at their maturity on June 13, 2012 (the "Note Payment"). Such
77 Government Obligations and initial cash balance shall be irrevocably deposited into the
78 Escrow Subaccount.

79 Net proceeds of the Bonds in the amount of \$177,995.35 shall be deposited in and
80 credited to the Issuance Costs Subaccount of the Refunding Account, and applied to pay
81 expenses of the acquisition and safekeeping of the Government Obligations and the costs
82 of the issuing of the Bonds (including the rounding amount).

83 The Escrow Agent is hereby authorized and directed to pay to the county, or, at
84 the direction of the Finance Director, to the fiscal agency of the State of Washington,
85 sums sufficient to pay the principal of and the interest on the Notes when due at their
86 maturity on June 13, 2012. Such sums shall be paid from the Government Obligations

87 and initial cash balance deposited into the Escrow Subaccount, and the income therefrom
88 and proceeds thereof. All such sums so paid shall be charged to the Escrow Subaccount
89 of the Refunding Account. Funds deposited in the Refunding Account and its accounts
90 shall be held, invested and applied in accordance with the provisions of this motion and
91 the laws of the State of Washington for the benefit of the county and holders of the Notes.

92 The proper officials of the county are directed to obtain from the Escrow Agent an
93 agreement setting forth the duties, obligations and responsibilities of the Escrow Agent in
94 connection with the current refunding and defeasance of the Notes as provided herein and
95 stating that such provisions for the payment of the fees, compensation and expenses of
96 such Escrow Agent are satisfactory to it. In order to carry out the purposes of this
97 section, the Finance Director is authorized and directed to execute and deliver to the
98 Escrow Agent such agreement when the provisions thereof have been fixed and
99 determined. The county will take such actions as are found necessary to see that all
100 necessary and proper fees, compensation and expenses of the Escrow Agent in
101 connection with the current refunding and defeasance of the Notes shall be paid when
102 due.

103 D. Undertaking to Provide Ongoing Disclosure.

104 1. Contract/Undertaking. This section D. constitutes the county's written
105 undertaking (the "Undertaking") for the benefit of the owners and beneficial owners of
106 the Bonds as required by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities
107 and Exchange Commission (the "Commission").

108 2. Financial Statements/Operating Data. The county agrees to provide or cause
109 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the

110 following annual financial information and operating data for the prior fiscal year
111 (commencing in 2012 for the fiscal year ended December 31, 2011):

112 (a) annual financial statements prepared in accordance with the Budget
113 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor
114 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached
115 to the official statement as "Appendix B," which statements will not be audited, except
116 that if and when audited financial statements are otherwise prepared and available to the
117 county they will be provided;

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

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

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

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

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

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

127 Such annual information and operating data described above shall be provided on
128 or before the end of seven months after the end of the county's fiscal year. The county's
129 fiscal year currently ends on December 31. The county may adjust such fiscal year by
130 providing written notice of the change of fiscal year to the MSRB. In lieu of providing
131 such annual financial information and operating data, the county may make specific

132 cross-reference to other documents available to the public on the MSRB's internet web
133 site or filed with the Commission.

134 If not provided as part of the annual financial information discussed above, the
135 county shall provide to the MSRB the county's audited annual financial statements
136 prepared in accordance with BARS when and if available.

137 3. Specified Events. The county agrees to provide or cause to be provided, in a
138 timely manner not in excess of ten business days after the occurrence of the event, to the
139 MSRB, notice of the occurrence of any of the following specified events with respect to
140 the Bonds:

- 141 (a) principal and interest payment delinquencies;
- 142 (b) non-payment related defaults, if material;
- 143 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 144 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 145 (e) substitution of credit or liquidity providers, or their failure to perform;
- 146 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
147 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
148 5701-TEB) or other material notices or determinations with respect to the tax status of the
149 Bonds, or other material events affecting the tax status of the Bonds;
- 150 (g) modifications to rights of Bondholders, if material;
- 151 (h) Bond calls, if material, and tender offers;
- 152 (i) defeasances;
- 153 (j) release, substitution or sale of property securing repayment of the Bonds, if
154 material;

- 155 (k) rating changes;
- 156 (l) bankruptcy, insolvency, receivership, or similar event of the county;
- 157 (m) the consummation of a merger, consolidation or acquisition involving the
- 158 county or the sale of all or substantially all of the assets of the county, other than in the
- 159 ordinary course of business, the entry into a definitive agreement to undertake such an
- 160 action or the termination of a definitive agreement relating to any such actions, other than
- 161 pursuant to its terms, if material; and
- 162 (n) appointment of a successor or additional trustee or the change of name of a
- 163 trustee, if material.

164 Solely for purposes of disclosure, and not intending to modify the Undertaking,

165 the county advises with reference to items (c), (j) and (n) above that no debt service

166 reserves secure payment of the Bonds, no property secures repayment of the Bonds, and

167 there is no trustee for the Bonds.

168 4. Notification Upon Failure to Provide Financial Data. The county agrees to

169 provide or cause to be provided, in a timely manner, to the MSRB, notice of its failure to

170 provide the annual financial information described in subsection 2 above on or prior to

171 the date set forth in subsection 2 above.

172 5. Electronic Format; Identifying Information. The county agrees that all

173 documents provided to the MSRB pursuant to the Undertaking shall be provided in an

174 electronic format and accompanied by such identifying information, each as prescribed

175 by the MSRB.

176 6. Termination/Modification. The county's obligations to provide annual

177 financial information and notices of specified events shall terminate upon the legal

178 defeasance, prior redemption or payment in full of all of the Bonds. The Undertaking, or
179 any provision hereof, shall be null and void if the county (i) obtains an opinion of
180 nationally recognized bond counsel to the effect that those portions of the rule which
181 require the Undertaking, or any such provision, are invalid, have been repealed
182 retroactively or otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such
183 opinion and the cancellation of the Undertaking.

184 Notwithstanding any other provision of this motion, the county may amend the
185 Undertaking, and any provision of the Undertaking may be waived, with an approving
186 opinion of nationally recognized bond counsel and in accordance with the rule.

187 In the event of any amendment or waiver of a provision of the Undertaking, the
188 county shall describe such amendment in the next annual report, and shall include, as
189 applicable, a narrative explanation of the reason for the amendment or waiver and its
190 impact on the type (or in the case of a change of accounting principles, on the
191 presentation) of financial information or operating data being presented by the county. In
192 addition, if the amendment relates to the accounting principles to be followed in
193 preparing financial statements, (i) notice of such change shall be given in the same
194 manner as for a specified event under subsection 3, and (ii) the annual report for the year
195 in which the change is made should present a comparison (in narrative form and also, if
196 feasible, in quantitative form) between the financial statements as prepared on the basis
197 of the new accounting principles and those prepared on the basis of the former accounting
198 principles.

199 7. Bond Owners' Remedies Under the Undertaking. The right of any Bond
200 owner or beneficial owner of Bonds to enforce the provisions of the Undertaking shall be

201 limited to a right to obtain specific enforcement of the county's obligations hereunder,
202 and any failure by the county to comply with the provisions of the Undertaking shall not
203 be an event of default with respect to the Bonds. For purposes of the Undertaking,
204 "beneficial owner" means any person who has the power, directly or indirectly, to vote or
205 consent with respect to, or to dispose of ownership of, any Bonds, including persons
206 holding Bonds through nominees or depositories.

207 E. Further Authority. The proper county officials, their agents, and
208 representatives are hereby authorized and directed to do everything necessary for the
209 prompt issuance and delivery of the Bonds, for the preparation, execution and delivery of
210 the final official statement for the sale of the Bonds, and for the proper use and
211 application of the proceeds of such sale.

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

217 deemed separable from the remaining covenants and agreements of this motion and shall
218 in no way affect the validity of the other provisions of this motion or of the Bonds.
219

Motion 13645 was introduced on 3/12/2012 and passed by the Metropolitan King County Council on 3/12/2012, by the following vote:

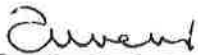
Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Ms. Hague, Ms. Patterson,
Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr. McDermott
No: 0
Excused: 1 - Mr. Gossett

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Official Notice of Sale, B. Winning Bid, C. Maturity Dates, Principal Amounts and Interest Rates, D. Government Obligations

ATTACHMENT A**OFFICIAL NOTICE OF SALE****\$67,705,000*****KING COUNTY, WASHINGTON****LIMITED TAX GENERAL OBLIGATION BONDS, 2012, SERIES A**

Electronic bids for the Limited Tax General Obligation Bonds, 2012, Series A (the "Bonds"), of King County, Washington (the "County"), will be received via BiDCOMP/PARITY ("Parity") in the manner described below on

MARCH 12, 2012, 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 (the "News Services") not less than 18 hours prior to the time and date that the bids are to be received for the purchase of the Bonds (the "Sale Date"). 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 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. See "Bidding Information and Award."

Modification, Cancellation, Postponement. Bidders are advised that the County may modify the terms of this Official Notice of Sale prior to the time for receipt of bids, including to change the principal amount and principal payments of the Bonds if the County elects not to refund or defease all or any of the notes expected to be refunded with the Bonds or if the County elects to change the principal amounts or the redemption provisions. Any such modification will be announced through the News Services not less than 18 hours prior to the Sale Date. As an accommodation to bidders, telephone, facsimile, or electronic notice of any amendment or modification of this Official Notice of Bond Sale will be given to any bidder requesting such notice from the County's Financial Advisor at the address and phone number provided under "Contact Information" below. Failure of any bidder to receive such notice will not affect the legality of the sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Sale), dated March 2, 2012, 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 Finance Division or the County's financial advisor (the "Financial Advisor"). See "Contact Information."

* 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 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 January 1, 2013, to the maturity or prior redemption of the Bonds. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will mature on the dates and in the years and amounts set forth on the inside cover of this Official Statement.

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 DTC. 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 "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 July 1 of each respective year as serial bonds maturing in such year or as mandatory sinking fund redemptions of term bonds maturing in the years specified by the bidder.

<u>Serial Maturity or Mandatory Sinking Fund Redemption</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Mandatory Sinking Fund Redemption</u>	<u>Principal Amounts</u>
2013	\$ 1,925,000	2018	\$ 7,590,000
2014	2,730,000	2019	7,965,000
2015	6,810,000	2020	8,365,000
2016	7,015,000	2021	8,785,000
2017	7,295,000	2022	9,225,000

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

Redemption of the Bonds

The County reserves the right to redeem outstanding Bonds maturing on July 1, 2022, in whole or in part, at any time on or after January 1, 2022, 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.

Mandatory Sinking Fund Redemption of Term Bonds. If not previously redeemed as described above or purchased under the provisions described below, the Bonds maturing on July 1, ____ (the "Term Bonds"), will be called for mandatory sinking fund redemption (in such manner as the Registrar may determine) at a price of par, plus accrued interest to the date fixed for redemption, on July 1 in the years and amounts as follows:

TERM BONDS	
Years	Amounts

* Maturity.

If the County redeems Term Bonds under the optional redemption provisions described above or purchases or defeases Term Bonds, the Term Bonds so redeemed, purchased, or defeased (irrespective of their actual redemption or purchase prices) will be credited at the par amount thereof against one or more scheduled mandatory redemption amounts for the Term Bonds in the manner to be determined by the County or, if no such determination is made, on a *pro rata* basis.

Selection of Bonds for Redemption. If fewer than all of the Bonds are to be optionally redeemed prior to maturity, the County will select the maturity or maturities to be redeemed. If fewer than all of the Bonds within a maturity are to be redeemed prior to maturity, the Bonds to be redeemed will be selected, as the case may be, by DTC in accordance with the operational arrangements of DTC's Letter of Representations or, if the Bonds are no longer in book entry-only form, by the Registrar in such manner as the Registrar in its discretion may deem to be fair and appropriate. Any Bond of a denomination more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption. Unless waived by the registered owner of Bonds to be redeemed or the nominee of such owner, official notice of any such redemption is required to be given by the Registrar by certified or registered mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar. These requirements will be deemed to have been fulfilled when notice is mailed, whether or not it actually is received by the registered owner of any such Bond to be redeemed. As long as the Bonds are held in book-entry form, redemption notices with respect to the Bonds will be given in accordance with procedures established by DTC. See "Book-Entry System" and Appendix E.

In the case of an optional redemption, the notice may state that the County retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected registered owners at any time on or prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded will be of no effect, and the Bonds for which the notice of optional redemption has been rescinded will remain outstanding.

Effect of Redemption. Interest on Bonds called for redemption will cease to accrue on the date fixed for redemption unless such Bonds called are not redeemed when presented pursuant to the call.

Security

The Bonds are general obligations of the County. The County has irrevocably covenanted that, for as long as any of the Bonds 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 the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes, and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds 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 Bonds as they become due.

The County always has met principal and interest payments on outstanding bonds and notes when due.

BIDDING INFORMATION AND AWARD

Bidding Information

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate that the Bonds will bear. The interest rates bid must be in a multiple of 1/8 or 1/20 of 1%. No more than one rate of interest may be fixed for any one single maturity of the Bonds. Bids will 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 110% of the par value of the Bonds nor more than an amount equal to 123% 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 paragraph above, "price" is defined as the lesser of the price at the redemption date or the price at the maturity date.

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.

Bidding Process

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 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 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 Sale.

Good Faith Deposit

The successful bidder for the Bonds is required to deliver a good faith deposit in the amount of \$675,000 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 for the Bonds 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 for the Bonds 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 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 Bonds will not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds 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 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 for the Bonds 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 purpose of comparing bids only, the interest rate 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.

If there are two or more equal bids for the Bonds 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 Bonds 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 Bonds by an amount not to exceed 10% of the principal amount of the Bonds following the opening of the bids. The County has also reserved the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by up to the greater of 15% of the total par amount or \$900,000.

The price bid by the successful bidder for the Bonds 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 Bonds 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 Bonds, the successful bidder for the Bonds 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 for the Bonds 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 for each maturity of the Bonds;
- (ii) certifying that a *bona fide* initial public offering of the Bonds ("Public Offering") was made on the Sale Date;
- (iii) certifying facts establishing the successful bidder's reasonable expectations, as of the Sale Date, that the Initial Reoffering Price for each maturity of the Bonds would be the first price at which at least 10% of the par amount of such maturity would be sold to the public, excluding bond houses, brokers,

- and other intermediaries, including, without limitation, the successful bidder and any selling group of which the successful bidder is a part, directly or indirectly (the "Public"); and
- (iv) certifying that at least 10% of each maturity of the Bonds was in fact sold to the Public in the Initial Offering, except for specified maturities, if applicable.

DELIVERY

The County will deliver the Bonds (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 March 29, 2012.

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 the Preliminary Official Statement, 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 Gottlieb Fisher PLLC, 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 the 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 Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"). A no-litigation certificate will be included in the closing papers of the Bonds.

Legal Opinion

The approving legal opinion of Gottlieb Fisher PLLC, Seattle, Washington, Bond Counsel, will be provided to the successful bidder for the Bonds at the time of the delivery of the Bonds. A no-litigation certificate will be included in the closing documents for 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.

OTHER INFORMATION

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 the 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 the purchaser through its designated

This page left blank intentionally.

**J.P. Morgan Securities LLC - New York , NY's Bid
King County**



**\$67,705,000 Limited Tax General Obligation Bonds, 2012,
Series A**

For the aggregate principal amount of \$67,705,000.00, we will pay you \$81,494,327.63, 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 %
07/01/2013	1,925M	3.0000
07/01/2014	2,730M	4.0000
07/01/2015	6,810M	5.0000
07/01/2016	7,015M	5.0000
07/01/2017	7,295M	5.0000
07/01/2018	7,590M	5.0000
07/01/2019	7,965M	5.0000
07/01/2020	8,365M	5.0000
07/01/2021	8,785M	5.0000
07/01/2022	9,225M	5.0000

Total Interest Cost: \$22,349,203.89
 Premium: \$13,789,327.63
 Net Interest Cost: \$8,559,876.26
 TIC: 1.688980
 Time Last Bid Received On: 03/12/2012 8:59:22 PDST

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.

Bidder: J.P. Morgan Securities LLC, New York , NY
 Contact: Kenneth Avila
 Title: Analyst
 Telephone: 212-834-7155
 Fax: 212-193-4573

Issuer Name: King County Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____

ATTACHMENT C

\$65,935,000
KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 2012, SERIES A

Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$1,520,000	3.000%
2014	2,400,000	4.000
2015	6,495,000	5.000
2016	6,820,000	5.000
2017	7,160,000	5.000
2018	7,515,000	5.000
2019	7,895,000	5.000
2020	8,290,000	5.000
2021	8,700,000	5.000
2022	9,140,000	5.000

ATTACHMENT D

\$65,935,000

KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 2012, SERIES AGovernment Obligations

<u>Type of Security</u>	<u>Type of SLGS</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>
SLGS	Certificate	6/13/2012	\$84,739,547	0.060%