



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 13, 2012

Motion 13770

Proposed No. 2012-0434.2

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 Refunding Bonds, 2012, Series D (Federally Tax-Exempt
4 Qualified 501(c)(3) Bonds), in the aggregate principal
5 amount of \$41,810,000, and establishing certain terms of
6 such bonds and the plan of refunding, all in accordance
7 with Ordinance 17409.

8 WHEREAS, pursuant to Ordinance 17409 (the "Ordinance"), the county council
9 authorized the issuance of one or more series of its limited tax general obligation
10 refunding bonds in an outstanding aggregate principal amount not to exceed \$56,000,000
11 to obtain funds to undertake the Patricia Steel Building Project, as defined and described
12 in the Ordinance, and to pay the costs and expenses incurred in issuing such bonds, and

13 WHEREAS, the Ordinance provided that such bonds may be issued as Tax-
14 Exempt Obligations, including Qualified 501(c)(3) Bonds, or as Taxable Obligations, and
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
17 advisors, and

18 WHEREAS, the Finance Director has determined that a series of such bonds, to
19 be designated as the county's Limited Tax General Obligation Refunding Bonds, 2012,

20 Series D (Federally Tax-Exempt Qualified 501(c)(3) Bonds), in the aggregate principal
21 amount of \$41,810,000 (the "Bonds"), shall be issued as Tax-Exempt Obligations that are
22 Qualified 501(c)(3) Bonds and sold to obtain funds to undertake the Patricia Steel
23 Building Project and to pay the costs and expenses incurred in issuing the Bonds, all as
24 provided herein, and

25 WHEREAS, currently, none of the bonds authorized by the Ordinance are
26 outstanding, and

27 WHEREAS, a preliminary official statement dated October 22, 2012, as amended
28 by an errata notice dated October 25, 2012, and by an addendum dated November 2,
29 2012, has been prepared for the public sale of the Bonds, the amended and restated
30 official notice of such sale dated November 2, 2012 (the "Notice"), has been duly
31 published, and bids have been received in accordance with the Notice, and

32 WHEREAS, the attached bid of R. W. Baird & Co., Inc., to purchase the Bonds is
33 the best bid received for the Bonds, and it is in the best interest of the county that the
34 Bonds be sold to R. W. Baird & Co., Inc., on the terms set forth in the Notice, the attached
35 bid, the Ordinance and this motion;

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

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

39 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of
40 Bonds. The issuance of the Bonds, designated as the county's Limited Tax General
41 Obligation Refunding Bonds, 2012, Series D (Federally Tax-Exempt Qualified 501(c)(3)
42 Bonds), in the aggregate principal amount of \$41,810,000, to obtain funds to undertake

43 the Patricia Steel Building Project and to pay the costs and expenses incurred in issuing
44 the Bonds, and the other terms and conditions thereof set forth in the Notice attached
45 hereto as Attachment A, are hereby ratified and confirmed. The offer to purchase the
46 Bonds, as set forth in the bid of R.W. Baird & Co., Inc., attached hereto as Attachment B;
47 provided, that such bid has been adjusted with respect to the aggregate principal amount
48 and principal amount per maturity consistent with the terms of the Notice, such that the
49 Bonds will mature on the dates and in the amounts, shall bear interest at the rates, and
50 shall be sold at the purchase price specified in Attachment C. The Bonds shall be dated
51 their date of issue and delivery, and shall be subject to optional redemption as set forth in
52 the Notice. The Bonds shall be issued as Tax-Exempt Obligations that are Qualified
53 501(c)(3) Bonds, each as defined in the Ordinance. In all other respects, the Bonds shall
54 conform to the terms and conditions specified in the Notice and the Ordinance.

55 C. Application of Bond Proceeds; Refunding of BOP Bonds.

56 1. Application of Bond Proceeds. All of the net proceeds of the Bonds shall be
57 applied, together with other funds currently held by The Bank of New York Mellon Trust
58 Company, N.A., in its capacity as successor trustee (the "Trustee") for the Broadway
59 Office Properties ("BOP") Lease Revenue Bonds (King County, Washington Project),
60 2002 (the "BOP Bonds") under the Indenture of Trust (the "Indenture"), dated as of
61 November 1, 2002, between BOP and the Trustee, to (a) the refunding and defeasance of
62 the outstanding BOP Bonds by providing for the payment of the principal of and the
63 interest on the BOP Bonds that will become due and payable on or before December 1,
64 2012 (the "BOP Bond Redemption Date"), and the redemption price of the BOP Bonds

65 that will be called for redemption on the BOP Bond Redemption Date; and (b) the
66 payment of the costs incurred in issuing the Bonds and related expenses.

67 2. Plan of Refunding. The proper county officials are authorized to carry out
68 the refunding plan in accordance with Section 11 of the Ordinance. The amounts,
69 maturities and redemption dates of the BOP Bonds shall be as identified in Attachment D
70 to this motion. The amount of the initial cash balance to be deposited and held
71 uninvested in the Escrow Account to accomplish the refunding of the BOP Bonds shall
72 be as identified in Attachment E to this motion; no Government Obligations shall be
73 purchased.

74 3. Escrow Agent. The selection of The Bank of New York Mellon Trust
75 Company, N.A., as Escrow Agent for the refunding of the BOP Bonds is hereby ratified
76 and confirmed.

77 4. Finding of Savings and Defeasance. The county council finds and determines
78 that the issuance and sale of the Bonds will effect a savings to the county. In making
79 such finding and determination, the county council has given consideration to the fixed
80 maturities of the Bonds and the BOP Bonds, the rental payments payable by the county
81 under the Lease that secures the BOP Bonds and the costs of issuance and sale of the
82 Bonds. The county council further finds and determines that the initial cash balance to be
83 deposited with the Escrow Agent will be sufficient to defease and redeem the BOP Bonds
84 and will discharge and satisfy the obligations of BOP under the Indenture and the
85 obligations of the county under the Lease, and the pledges of the county set forth in the
86 Lease.

87 D. Undertaking to Provide Ongoing Disclosure.

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

92 2. Financial Statements/Operating Data. The county agrees to provide or cause
93 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the
94 following annual financial information and operating data for the prior fiscal year
95 (commencing in 2013 for the fiscal year ended December 31, 2012):

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

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

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

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

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

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

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

111 Such annual information and operating data described above shall be provided on
112 or before the end of seven months after the end of the county's fiscal year. The county's
113 fiscal year currently ends on December 31. The county may adjust such fiscal year by
114 providing written notice of the change of fiscal year to the MSRB. In lieu of providing
115 such annual financial information and operating data, the county may make specific
116 cross-reference to other documents available to the public on the MSRB's internet web
117 site or filed with the SEC.

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

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

- 125 (a) principal and interest payment delinquencies;
- 126 (b) non-payment related defaults, if material;
- 127 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 128 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 129 (e) substitution of credit or liquidity providers, or their failure to perform;
- 130 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
131 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
132 5701-TEB) or other material notices or determinations with respect to the tax status of the
133 Bonds, or other material events affecting the tax status of the Bonds;

- 134 (g) modifications to rights of Bondholders, if material;
135 (h) Bond calls, if material, and tender offers;
136 (i) defeasances;
137 (j) release, substitution or sale of property securing repayment of the Bonds, if
138 material;
139 (k) rating changes;
140 (l) bankruptcy, insolvency, receivership, or similar event of the county;
141 (m) the consummation of a merger, consolidation or acquisition involving the
142 county or the sale of all or substantially all of the assets of the county, other than in the
143 ordinary course of business, the entry into a definitive agreement to undertake such an
144 action or the termination of a definitive agreement relating to any such actions, other than
145 pursuant to its terms, if material; and
146 (n) appointment of a successor or additional trustee or the change of name of a
147 trustee, if material.

148 Solely for purposes of disclosure, and not intending to modify the Undertaking,
149 the county advises with reference to items (c), (j) and (n) above that no debt service
150 reserves secure payment of the Bonds, no property secures repayment of the Bonds, and
151 there is no trustee for the Bonds.

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

156 5. Electronic Format; Identifying Information. The county agrees that all
157 documents provided to the MSRB pursuant to the Undertaking shall be provided in an
158 electronic format and accompanied by such identifying information, each as prescribed
159 by the MSRB.

160 6. Termination/Modification. The county's obligations to provide annual
161 financial information and notices of specified events shall terminate upon the legal
162 defeasance, prior redemption or payment in full of all of the Bonds. The Undertaking, or
163 any provision hereof, shall be null and void if the county (i) obtains an opinion of
164 nationally recognized bond counsel to the effect that those portions of the rule which
165 require the Undertaking, or any such provision, are invalid, have been repealed
166 retroactively or otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such
167 opinion and the cancellation of the Undertaking.

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

171 In the event of any amendment or waiver of a provision of the Undertaking, the
172 county shall describe such amendment in the next annual report, and shall include, as
173 applicable, a narrative explanation of the reason for the amendment or waiver and its
174 impact on the type (or in the case of a change of accounting principles, on the
175 presentation) of financial information or operating data being presented by the county. In
176 addition, if the amendment relates to the accounting principles to be followed in
177 preparing financial statements, (i) notice of such change shall be given in the same
178 manner as for a specified event under subsection 3, and (ii) the annual report for the year

179 in which the change is made should present a comparison (in narrative form and also, if
180 feasible, in quantitative form) between the financial statements as prepared on the basis
181 of the new accounting principles and those prepared on the basis of the former accounting
182 principles.

183 7. Bond Owners' Remedies Under the Undertaking. The right of any Bond
184 owner or beneficial owner of Bonds to enforce the provisions of the Undertaking shall be
185 limited to a right to obtain specific enforcement of the county's obligations hereunder,
186 and any failure by the county to comply with the provisions of the Undertaking shall not
187 be an event of default with respect to the Bonds. For purposes of the Undertaking,
188 "beneficial owner" means any person who has the power, directly or indirectly, to vote or
189 consent with respect to, or to dispose of ownership of, any Bonds, including persons
190 holding Bonds through nominees or depositories.

191 E. Further Authority. The proper county officials, their agents, and
192 representatives are hereby authorized and directed to do everything necessary for the
193 prompt issuance and delivery of the Bonds, for the preparation, execution and delivery of
194 the final official statement for the sale of the Bonds, and for the proper use and
195 application of the proceeds of such sale.

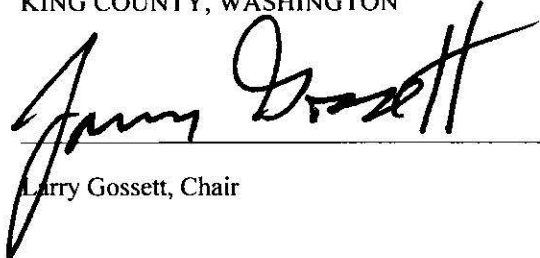
196 F. Severability. The covenants contained in this motion shall constitute a
197 contract between the county and the owners of each and every Bond. If any one or more
198 of the covenants or agreements provided in this motion to be performed on the part of the
199 county shall be declared by any court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

201 deemed separable from the remaining covenants and agreements of this motion and shall
202 in no way affect the validity of the other provisions of this motion or of the Bonds.
203

Motion 13770 was introduced on 10/29/2012 and passed by the Metropolitan King County Council on 11/13/2012, by the following vote:

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Amended and Restated Official Notice of Sale, B. Winning Bid, C. Bond Maturity Dates, Principal Amounts and Interest Rates, D. Description of the BOP Bonds, E. Initial Cash

ATTACHMENT A**AMENDED AND RESTATED OFFICIAL NOTICE OF SALE****\$39,305,000*****KING COUNTY, WASHINGTON****LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012, SERIES D
(FEDERALLY TAX-EXEMPT QUALIFIED 501(C)(3) BONDS)**

Electronic bids for the Limited Tax General Obligation Refunding Bonds, 2012, Series D (Federally Tax-Exempt Qualified 501(c)(3) Bonds) (the "Bonds"), of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

NOVEMBER 13, 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 bonds expected to be refunded with the Bonds or if the County elects to change the principal amounts or the redemption provisions. The County may also postpone or cancel the sale of the Bonds, at its discretion. Any such modification, postponement, or cancellation will be announced through the News Services not less than 18 hours prior to the Sale Date, except when infeasible due to emergency or unforeseen events or circumstances. 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 (the "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 October 22, 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 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 June 1 and December 1, beginning June 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 page i 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 The Depository Trust Company, New York, New York ("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 December 1 of each respective year as serial bonds maturing in such year or as mandatory sinking fund redemptions of Bonds maturing in the years specified by the bidder ("Term Bonds").

<u>Serial Maturity or Mandatory Sinking Fund Redemption (December 1)</u>	<u>Principal Amounts*</u>	<u>Serial Maturity or Mandatory Sinking Fund Redemption (December 1)</u>	<u>Principal Amounts*</u>
2013	\$ 1,430,000	2023	\$ 2,050,000
2014	1,470,000	2024	2,155,000
2015	1,510,000	2025	2,255,000
2016	1,555,000	2026	2,375,000
2017	1,620,000	2027	2,490,000
2018	1,685,000	2028	2,615,000
2019	1,750,000	2029	2,745,000
2020	1,820,000	2030	2,885,000
2021	1,895,000	2031	3,030,000
2022	1,970,000		

* Preliminary, subject to change.

The County will deposit money, consistent with the Bond Ordinance, and will retire the Bonds by purchase or redemption on or before December 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

Optional Redemption. The County reserves the right to redeem outstanding Bonds maturing on or after December 1, 2023, in whole or in part, at any time on or after December 1, 2022, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Term Bonds. If not previously redeemed as described above or purchased under the provisions described below, 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 December 1 in the years and amounts specified by the successful bidder.

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 subject to optional redemption are called for redemption, the County will choose the maturities to be redeemed. If fewer than all of the Bonds maturing on the same date are called for redemption, the Registrar will select for redemption such Bonds or portions thereof randomly, or in such other manner as the Registrar determines, except that, for so long as the Bonds are registered in the name of DTC or its nominee, DTC will select for redemption such Bonds or portions thereof in accordance with the DTC Letter of Representation. In no event will any Bond be outstanding in a principal amount that is not \$5,000 or any integral multiple thereof.

Notice of Redemption. While Bonds are held by DTC in book-entry only form, any notice of redemption must be given at the time, to the entity, and in the manner required by DTC in accordance with the DTC Letter of Representation, and the Registrar is not required to give any other notice of redemption. See "The Bonds—Book-Entry System" and Appendix E in the Preliminary Official Statement. If the Bonds cease to be in book-entry only form, unless waived by any Registered Owner of the Bonds to be redeemed, the County will cause notice of any intended redemption of Bonds to be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Register at the time the Registrar prepares the notice. The notice requirements of the Bond Ordinance will be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the owner of any Bond.

Rescission of Redemption. In the case of an optional redemption, the redemption 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 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, except in the case of a rescinded optional redemption as described above, or unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

Purchase of Bonds

The County has reserved the right to purchase any or all of the Bonds at any time at any price.

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, each year it will include in its budget and levy an *ad valorem* tax

within and as a part of the tax levy permitted to counties 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 for the prompt payment of the principal of 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 122.5% 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 99 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 \$390,000 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 15% of the total par amount.

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 per maturity) 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 November 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.

Legal Matters

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. In addition, the County will execute a no-litigation certificate in connection with the issuance 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.

OTHER INFORMATION

Ongoing Disclosure Undertaking

To assist bidders in complying with paragraph (b)(5) of the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the County will undertake, pursuant to the written "Continuing Disclosure Undertaking" for the Bonds, 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 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, the purchaser 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 for each maturity 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 the Municipal Securities Rulemaking Board ("MSRB") governing the offering, sale and delivery of the Bonds to the 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 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 2nd day of November, 2012.

/s/ Ken Guy

Director of Finance and Business Operations Division,
Department of Executive Services

Robert W. Baird & Co., Inc. - Red Bank , NJ's Bid
King County



**\$39,305,000 Limited Tax General Obligation Refunding Bonds
Series D (Federally Tax-Exempt Qualified 501(C)(3)
Bonds)**

For the aggregate principal amount of \$39,305,000.00, we will pay you \$43,262,720.80, 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 %
12/01/2013	1,430M	2.0000
12/01/2014	1,470M	4.0000
12/01/2015	1,510M	4.0000
12/01/2016	1,555M	5.0000
12/01/2017	1,620M	5.0000
12/01/2018	1,685M	5.0000
12/01/2019	1,750M	5.0000
12/01/2020	1,820M	5.0000
12/01/2021	1,895M	5.0000
12/01/2022	1,970M	5.0000
12/01/2023	2,050M	5.0000
12/01/2024	2,155M	4.5000
12/01/2025	2,255M	2.2500
12/01/2026	2,375M	2.3750
12/01/2027	2,490M	3.0000
12/01/2028	2,615M	3.0000
12/01/2029	2,745M	2.6000
12/01/2030	2,885M	2.6250
12/01/2031	3,030M	2.7000

Total Interest Cost:	\$14,982,229.89
Premium:	\$3,957,720.80
Net Interest Cost:	\$11,024,509.09
TIC:	2.367891
Time Last Bid Received On:	11/13/2012 8:54:03 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.

Bidder: Robert W. Baird & Co., Inc., Red Bank , NJ
Contact: Timothy Jackson
Title: director
Telephone: 336-631-5800
Fax: 332-631-5850

13770

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

ATTACHMENT C

Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$1,480,000	2.000%
2014	1,515,000	4.000
2015	1,575,000	4.000
2016	— 1,640,000	5.000
2017	1,725,000	5.000
2018	1,810,000	5.000
2019	1,900,000	5.000
2020	1,990,000	5.000
2021	2,095,000	5.000
2022	2,200,000	5.000
2023	2,310,000	5.000
2024	2,425,000	4.500
2025	2,530,000	2.250
2026	2,590,000	2.375
2027	2,645,000	3.000
2028	2,730,000	3.000
2029	2,810,000	2.600
2030	2,880,000	2.625
2031	2,960,000	2.700

Purchase Price

\$46,161,688.93

ATTACHMENT D

Description of the BOP Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.</u>
12/1/2012	\$ 1,605,000	5.250%	N/A	N/A	111556AG1
12/1/2013	1,690,000	5.375	12/1/2012	100.00%	111556AH9
12/1/2014	1,780,000	5.375	12/1/2012	100.00	111556AJ5
— 12/1/2015	1,875,000	5.375	12/1/2012	100.00	111556AK2
12/1/2016	1,975,000	5.375	12/1/2012	100.00	111556AL0
12/1/2017	2,085,000	5.375	12/1/2012	100.00	111556AM8
12/1/2018	2,195,000	5.250	12/1/2012	100.00	111556AN6
12/1/2019	2,310,000	5.250	12/1/2012	100.00	111556AP1
12/1/2020	2,430,000	5.250	12/1/2012	100.00	111556AQ9
12/1/2021	2,560,000	5.250	12/1/2012	100.00	111556AR7
12/1/2027	18,320,000	5.000	12/1/2012	100.00	111556AS5
12/1/2031	15,560,000	5.000	12/1/2012	100.00	111556AT3

ATTACHMENT E

Initial Cash

Bond Proceeds	\$45,930,514.78
Funds currently held under Indenture	<u>9,845,620.60</u>
TOTAL	\$55,776,135.38