



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 22, 2015

Motion 14430

Proposed No. 2015-0374.2

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, 2015, Series B (Federally Tax-Exempt), in the
4 aggregate principal amount of \$27,415,000, and
5 establishing certain terms of such bonds in accordance with
6 Ordinance 18090.

7 WHEREAS, pursuant to Ordinance 18090 (the "Ordinance"), the county council
8 authorized the issuance of one or more series of its limited tax general obligation bonds
9 in an outstanding aggregate principal amount not to exceed \$31,500,000 to provide long-
10 term financing for all or part of the capital costs of the 420 Fourth Avenue Acquisition
11 Project, the Archives Records Warehouse Lighting Project, the Eastside Rail Corridor
12 Acquisition Project, the IT Projects, the Jail Toilet Controls Retrofit Project, the KCCF
13 Lighting Retrofit Project, the MRJC Solar Project, the Orcas Fleet Management Facility
14 Project, the RSD LED Conversion Project and the Solid Waste Lighting Project, as
15 defined and described in the Ordinance, and

16 WHEREAS, the Ordinance provided that such bonds may be issued as Tax-
17 Exempt Obligations or Taxable Obligations, and sold at public sale, either by negotiated
18 sale or by competitive bid, in one or more series as determined by the Finance Director in
19 consultation with the county's financial advisors, and

20 WHEREAS, the Finance Director has determined that a series of such bonds, to
21 be designated as the county's Limited Tax General Obligation Bonds, 2015, Series B
22 (Federally Tax-Exempt), in the aggregate principal amount of \$27,415,000 (the "2015B
23 Bonds"), shall be issued as Tax-Exempt Obligations and sold to provide long-term
24 financing for all or part of the capital costs of the 420 Fourth Avenue Acquisition Project,
25 the Archives Records Warehouse Lighting Project, the Eastside Rail Corridor Acquisition
26 Project, the IT Projects, the Jail Toilet Controls Retrofit Project, the KCCF Lighting
27 Retrofit Project, the MRJC Solar Project, the Orcas Fleet Management Facility Project,
28 the RSD LED Conversion Project and the Solid Waste Lighting Project, as provided
29 herein, and

30 WHEREAS, currently, none of the bonds authorized by the Ordinance are
31 outstanding, and

32 WHEREAS, a preliminary official statement dated September 11, 2015, has been
33 prepared for the public sale of the 2015B Bonds and the county's Limited Tax General
34 Obligation Refunding Bonds, 2015, Series C (Federally Tax-Exempt), the official notice
35 of such sale dated September 11, 2015 (the "Notice"), has been published, and bids have
36 been received in accordance with the Notice, and

37 WHEREAS, the attached bid of Morgan Stanley & Co., LLC, to purchase the
38 2015B Bonds is the best bid received for the 2015B Bonds, and it is in the best interest of
39 the county that the 2015B Bonds be sold to Morgan Stanley & Co., LLC, on the terms set
40 forth in the Notice, the attached bid, the Ordinance and this motion,

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

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

44 B. Ratification of Terms, Acceptance of Bids, and Authorization of Sale of
45 2015B Bonds. The issuance of the 2015B Bonds, designated as the county's Limited Tax
46 General Obligation Bonds, 2015, Series B (Federally Tax-Exempt), in the aggregate
47 principal amount of \$27,415,000, to provide long-term financing for all or part of the
48 capital costs of the 420 Fourth Avenue Acquisition Project, the Archives Records
49 Warehouse Lighting Project, the Eastside Rail Corridor Acquisition Project, the IT
50 Projects, the Jail Toilet Controls Retrofit Project, the KCCF Lighting Retrofit Project, the
51 MRJC Solar Project, the Orcas Fleet Management Facility Project, the RSD LED
52 Conversion Project and the Solid Waste Lighting Project, and the other terms and
53 conditions thereof set forth in the Notice attached hereto as Attachment A, are hereby
54 ratified and confirmed. The offer to purchase the 2015B Bonds, as set forth in the bid of
55 Morgan Stanley & Co., LLC, is attached hereto as Attachment B; provided, that such bid
56 has been adjusted with respect to the aggregate principal amount and principal amount
57 per maturity consistent with the terms of the Notice, such that the 2015B Bonds will
58 mature on the dates and in the amounts, shall bear interest at the rates, and shall be sold at
59 the purchase price specified in Attachment C. The 2015B Bonds shall be dated their date
60 of issue and delivery, and shall be subject to optional redemption as set forth in the
61 Notice. The 2015B Bonds shall be issued as Tax-Exempt Obligations, as defined in the
62 Ordinance. In all other respects, the 2015B Bonds shall conform to the terms and
63 conditions specified in the Notice and the Ordinance.

64 C. Application of 2015B Bond Proceeds. The proceeds, plus original issue
65 premium but net of underwriter's discount, of the 2015B Bonds received by the county
66 shall be deposited as follows:

67 1. The sum of \$4,579,231.13 shall be deposited into the 2015 G.O. Bonds
68 Building Repair and Replacement Subfund to provide long-term financing for all or part
69 of the capital costs (including related 2015B Bond issuance costs) of the 420 Fourth
70 Avenue Acquisition Project, the Archives Records Warehouse Lighting Project, the Jail
71 Toilet Controls Retrofit Project, the KCCF Lighting Retrofit Project, the MRJC Solar
72 Project and the Orcas Fleet Management Facility Project;

73 2. The sum of \$11,837,346.85 shall be deposited into the 2015 G.O. Bonds
74 Parks Subfund to provide long-term financing for all or part of the capital costs
75 (including related 2015B Bond issuance costs) of the Eastside Corridor Rail Acquisition
76 Project;

77 3. The sum of \$14,369,617.23 shall be deposited into the 2015 G.O. Bonds
78 KCIT Subfund to provide long-term financing for all or part of the capital costs
79 (including related 2015B Bond issuance costs) of the IT Projects;

80 4. The sum of \$410,738.77 shall be deposited into the 2015 G.O. Bonds Roads
81 Subfund to provide long-term financing for all or part of the capital costs (including
82 related 2015B Bond issuance costs) of the RSD LED Conversion Project; and

83 5. The sum of \$69,572.05 shall be deposited into the 2015 G.O. Bonds Solid
84 Waste Subfund to provide long-term financing for all or part of the capital costs
85 (including related 2015B Bond issuance costs) of the Solid Waste Lighting Project.

86 D. Undertaking to Provide Ongoing Disclosure.

87 1. Contract/Undertaking. This section D. constitutes the county's written
88 undertaking (the "Undertaking") for the benefit of the owners and beneficial owners of
89 the 2015B Bonds as required by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the
90 Securities and Exchange Commission (the "SEC").

91 2. Financial Statements/Operating Data. The county agrees to provide or cause
92 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the
93 following annual financial information and operating data for the prior fiscal year
94 (collectively, the "Annual Financial Information") (commencing in 2016 for the fiscal
95 year ended December 31, 2015):

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 Subsection D.2.b. through g. of this motion shall be required only to the extent
110 that such information is not included in the annual financial statements.

111 The Annual Financial Information will be provided on or before the end of seven
112 months after the end of the county's fiscal year. The county's fiscal year currently ends
113 on December 31. The county may adjust its fiscal year by providing written notice to the
114 MSRB. In lieu of providing the Annual Financial Information, the county may make
115 specific cross-reference to other documents available to the public on the MSRB's
116 internet web site or filed with the SEC.

117 If not provided as part of the Annual Financial Information, the county will
118 provide to the MSRB the county's audited annual financial statements prepared in
119 accordance with BARS when and if available.

120 3. Notification Upon Failure to Provide Financial Data. The county agrees to
121 provide or cause to be provided to the MSRB, in a timely manner, notice of its failure to
122 provide the Annual Financial Information described in subsection D.2. of this motion on
123 or prior to the date set forth in subsection D.2. of this motion.

124 4. Specified Events. The county agrees to provide or cause to be provided, in a
125 timely manner, not in excess of ten business days after the occurrence of the event, to the
126 MSRB, notice of the occurrence of any of the following specified events with respect to
127 the 2015B Bonds:

- 128 a. principal and interest payment delinquencies;
- 129 b. non-payment related defaults, if material;
- 130 c. unscheduled draws on debt service reserves reflecting financial difficulties;
- 131 d. unscheduled draws on credit enhancements reflecting financial difficulties;

- 132 e. substitution of credit or liquidity providers, or their failure to perform;
- 133 f. adverse tax opinions, the issuance by the Internal Revenue Service of
- 134 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
- 135 5701-TEB) or other material notices or determinations with respect to the tax status of the
- 136 2015B Bonds, or other material events affecting the tax status of the 2015B Bonds;
- 137 g. modifications to rights of 2015B Bondholders, if material;
- 138 h. 2015B Bond calls, if material, and tender offers;
- 139 i. defeasances;
- 140 j. release, substitution or sale of property securing repayment of the 2015B
- 141 Bonds, if material;
- 142 k. rating changes;
- 143 l. bankruptcy, insolvency, receivership, or similar event of the county;
- 144 m. the consummation of a merger, consolidation or acquisition involving the
- 145 county or the sale of all or substantially all of the assets of the county, other than in the
- 146 ordinary course of business, the entry into a definitive agreement to undertake such an
- 147 action or the termination of a definitive agreement relating to any such actions, other than
- 148 pursuant to its terms, if material; and
- 149 n. appointment of a successor or additional trustee or the change of name of a
- 150 trustee, if material.

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

152 the county advises with reference to subsection D.4.c., j. and n. of this motion that no

153 debt service reserves secure payment of the 2015B Bonds, no property secures repayment

154 of the 2015B Bonds, and there is no trustee for the 2015B Bonds.

155 5. Electronic Format; Identifying Information. Until otherwise designated by
156 the MSRB or the SEC, any information or notices submitted to the MSRB in compliance
157 with the rule are to be submitted through the MSRB's Electronic Municipal Market
158 Access system, currently located at *www.emma.msrb.org*. All notices, financial
159 information and operating data required by the Undertaking to be provided to the MSRB
160 must be in an electronic format as prescribed by the MSRB. All documents provided to
161 the MSRB pursuant to the Undertaking must be accompanied by identifying information
162 as prescribed by the MSRB.

163 6. Termination/Modification. The county's obligations to provide Annual
164 Financial Information and notices of specified events will terminate upon the legal
165 defeasance, prior redemption or payment in full of all of the 2015B Bonds. The
166 Undertaking, or any provision hereof, will be null and void if the county (i) obtains an
167 opinion of nationally recognized bond counsel to the effect that those portions of the rule
168 which require the Undertaking, or any such provision, are invalid, have been repealed
169 retroactively or otherwise do not apply to the 2015B Bonds; and (ii) notifies the MSRB
170 of such opinion and the cancellation of the Undertaking.

171 The county may amend the Undertaking, and any provision of the Undertaking
172 may be waived, with an approving opinion of nationally recognized bond counsel and in
173 accordance with the rule.

174 In the event of any amendment or waiver of a provision of the Undertaking, the
175 county will describe such amendment or waiver in the next Annual Financial Information
176 submission, and will include, as applicable, a narrative explanation of the reason for the
177 amendment or waiver and its impact on the type (or in the case of a change of accounting

178 principles, on the presentation) of financial information or operating data being presented
179 by the county. In addition, if the amendment relates to the accounting principles to be
180 followed in preparing financial statements, (i) notice of such change shall be given in the
181 same manner as for a specified event under subsection 4, and (ii) the annual financial
182 statements for the year in which the change is made should present a comparison (in
183 narrative form and also, if feasible, in quantitative form) between the financial statements
184 as prepared on the basis of the new accounting principles and those prepared on the basis
185 of the former accounting principles.

186 7. Remedies Under the Undertaking. The right of any owner or beneficial
187 owner of 2015B Bonds to enforce the provisions of the Undertaking shall be limited to a
188 right to obtain specific enforcement of the county's obligations hereunder, and any failure
189 by the county to comply with the provisions of the Undertaking shall not be an event of
190 default with respect to the 2015B Bonds. For purposes of the Undertaking, "beneficial
191 owner" means any person who has the power, directly or indirectly, to vote or consent
192 with respect to, or to dispose of ownership of, any 2015B Bonds, including persons
193 holding 2015B Bonds through nominees or depositories.

194 E. Further Authority. The Finance Director and other proper county officials,
195 their agents, and representatives are hereby authorized and directed to do everything
196 necessary for the prompt issuance and delivery of the 2015B Bonds, for the preparation,
197 execution and delivery of the final official statement for the 2015B Bonds, and for the
198 proper use and application of the proceeds of such sale.

199 F. Severability. The covenants contained in this motion shall constitute a
200 contract between the county and the owners of each and every 2015B Bond. If any one

201 or more of the covenants or agreements provided in this motion to be performed on the
202 part of the county shall be declared by any court of competent jurisdiction to be contrary
203 to law, then such covenant or covenants, agreement or agreements, shall be null and void
204 and shall be deemed separable from the remaining covenants and agreements of this
205 motion and shall in no way affect the validity of the other provisions of this motion or of
206 the 2015B Bonds.
207

Motion 14430 was introduced on 9/21/2015 and passed by the Metropolitan King
County Council on 9/21/2015, by the following vote:

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Official Notice of Sale Revised September 18, 2015, B. Winning Bid, C. 2015B
Bond Maturity Dates, Principal Amounts and Interest Rates

OFFICIAL NOTICE OF SALE REVISED SEPTEMBER 18, 2015**KING COUNTY, WASHINGTON****\$28,645,000⁽¹⁾****LIMITED TAX GENERAL OBLIGATION BONDS, 2015, SERIES B
(FEDERALLY TAX-EXEMPT)****\$25,680,000⁽¹⁾ [REVISED PAR AMOUNT]****LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2015, SERIES C
(FEDERALLY TAX-EXEMPT)**

Electronic bids for the Limited Tax General Obligation Bonds, 2015, Series B (Federally Tax-Exempt) (the "2015B Bonds"), and the Limited Tax General Obligation Refunding Bonds, 2015, Series C (Federally Tax-Exempt) (the "2015C Bonds") of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

SEPTEMBER 21, 2015, AT**2015C BONDS: 8:30 A.M., PACIFIC TIME****2015B BONDS: 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 Parity and i-Deal Prospectus, as described under "Modification, Postponement, Cancellation." Together, the 2015B Bonds and 2015C Bonds are defined in this Official Statement as the "Bonds."

All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid for a series of the Bonds, the Bonds will be awarded to the successful bidder for such series and the terms of the bid will be approved by the County Council at such meeting.

Each series of 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 received after the time for receiving bids specified above will be considered. For further information about Parity, potential bidders may contact Parity at (212) 849-5021.

Modification, Postponement, Cancellation. Bidders are advised that the County may modify the terms of this Official Notice of Sale prior to the time for receipt of bids, or postpone or cancel the sale of either or both series of the Bonds, at its discretion. Any such modification, postponement, or cancellation will be provided to Parity and i-Deal Prospectus on or before September 18, 2015, except when infeasible due to emergency or unforeseen events or circumstances. As an accommodation to bidders, telephone, facsimile, or electronic notice of such modification, postponement, or cancellation 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 this Official Notice of Sale), dated September 11, 2015, 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."

(1) 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 Piper Jaffray/Seattle-Northwest Division Office: (206) 628-2879 Day of Sale: (206) 601-2249 <i>robert.e.shelley@pjc.com</i>
Bond Counsel	Daniel S. Gottlieb Hillis Clark Martin & Peterson P.S. (206) 470-7627 <i>dan.gottlieb@hcmp.com</i>

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of their initial delivery. The 2015B Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2016, to the maturity of the 2015B Bonds. The 2015C Bonds bear interest payable semiannually on each January 1 and July 1, beginning January 1, 2016, to the maturity of the 2015C 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 amounts set forth on pages i and ii of the Preliminary 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 ("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 agent for the State of Washington (currently U.S. Bank National Association) (the "Bond Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

Maturities

2015B Bonds. The bidder for the 2015B Bonds will designate whether the principal amounts of the 2015B 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 2015B Bonds maturing in the years specified by the bidder (the “2015B Term Bonds”).

Serial Maturity or Mandatory Sinking Fund Redemption (Dec. 1)	Principal Amounts ⁽¹⁾	Serial Maturity or Mandatory Sinking Fund Redemption (Dec. 1)	Principal Amounts ⁽¹⁾
2016	\$ 2,365,000	2024	\$ 1,250,000
2017	2,840,000	2025	1,305,000
2018	2,895,000	2026	765,000 ⁽²⁾
2019	2,995,000	2027	805,000 ⁽²⁾
2020	3,080,000	2028	845,000 ⁽²⁾
2021	3,170,000	2029	890,000 ⁽²⁾
2022	3,305,000	2030	935,000 ⁽²⁾
2023	1,200,000		

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the 2015B Bonds unless 2015B Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of the 2015B Term Bonds.

The County will deposit money, consistent with the 2015B Bond Legislation (defined in the Preliminary Official Statement), and will retire the 2015B Bonds by payment 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.

2015C Bonds. The bidder for the 2015C Bonds will designate whether the principal amounts of the 2015C Bonds as set forth below will be retired on January 1 of each respective year as serial bonds maturing in such year or as mandatory sinking fund redemptions of 2015C Bonds maturing in the years specified by the bidder (the “2015C Term Bonds” and together with the 2015B Term Bonds, the “Term Bonds”).

REVISED TABLE

Serial Maturity or Mandatory Sinking Fund Redemption (Jan. 1)	Principal Amounts ⁽¹⁾	Serial Maturity or Mandatory Sinking Fund Redemption (Jan. 1)	Principal Amounts ⁽¹⁾
2016	\$ 260,000	2023	\$ 2,490,000
2017	-	2024	2,600,000
2018	-	2025	2,720,000
2019	1,655,000	2026	2,865,000
2020	2,225,000	2027	3,005,000 ⁽²⁾
2021	2,305,000	2028	3,160,000 ⁽²⁾
2022	2,395,000		

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the 2015C Bonds unless 2015C Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of the 2015C Term Bonds.

The County will deposit money, consistent with the 2015C Bond Legislation (defined in the Preliminary Official Statement), and will retire the 2015C Bonds by payment or redemption on or before January 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 2015B Bonds maturing on or after December 1, 2026, in whole or in part, at any time on or after December 1, 2025, at the price of par plus accrued interest, if any, to the date fixed for redemption.

The County reserves the right to redeem outstanding 2015C Bonds maturing on or after January 1, 2027, in whole or in part, at any time on or after January 1, 2026, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Term Bonds. The County will redeem the 2015B Term Bonds maturing on _____, if not previously redeemed as described above or purchased and surrendered for cancellation under the provisions described below, by lot (or in such other manner as the Bond Registrar determines) at par plus accrued interest on December 1 in the years and amounts as follows:

2015B TERM BONDS	
<u>Years</u>	<u>Amounts</u>
(1)	

(1) Maturity.

The County will redeem the 2015C Term Bonds maturing on _____, if not previously redeemed as described above or purchased and surrendered for cancellation under the provisions described below, by lot (or in such other manner as the Bond Registrar determines) at par plus accrued interest on January 1 in the years and amounts as follows:

2015C TERM BONDS	
<u>Years</u>	<u>Amounts</u>
(1)	

(1) Maturity.

If the County redeems Term Bonds under the optional redemption provisions described above or purchases Term Bonds for surrender and cancellation as set forth below, the Term Bonds so redeemed or purchased (irrespective of their actual redemption or purchase prices) will be credited at the par amount thereof against the remaining mandatory redemption requirements for the Term Bonds of the same series in the manner to be determined by the Finance Director 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 Bond Registrar will select for redemption such Bonds or portions thereof randomly, or in such other manner as the Bond 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 Representations. 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 Representations, and the Bond 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 Bond 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 registration books for the Bonds maintained by the Bond Registrar at the time the Bond Registrar prepares the notice. The notice requirements of the Bond Legislation (as defined in the Preliminary Official Statement) 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.

Conditional Redemption; Cancellation of Redemption. In the case of an optional redemption, the notice of redemption may state that the County retains the right to rescind the redemption notice and the redemption 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 a notice of optional redemption has been rescinded will remain outstanding.

Effect of Redemption. Interest on each Bond 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 and option 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 to levy nonvoted property taxes in an amount sufficient, together with other legally available money, to pay the principal of and interest on the Bonds when due. The County's nonvoted property taxes are subject to constitutional and statutory limits as described herein. See "Property Tax Information." The County has irrevocably pledged its full faith, credit, and resources for the annual levy and collection of such nonvoted property taxes and for the payment of the principal of and interest on the Bonds when due.

The County always has made 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 either or both series of the Bonds fixing the interest rates that such series of 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 single maturity of a series of the Bonds. Bids will be without condition and may be submitted only electronically via Parity.

Bidders for the 2015B Bonds must specify interest rates equal to or greater than 4.0% for 2015B Bonds maturing on or after December 1, 2026. No bid will be considered for the 2015B Bonds that is less than an amount equal to 106.5% of the par value of the 2015B Bonds or more than an amount equal to 117.0% of the par value of the 2015B Bonds, or for less than the entire offering of the 2015B Bonds.

Bidders for the 2015C Bonds must specify interest rates equal to or greater than 4.0% for 2015C Bonds maturing on or after January 1, 2027. Bidders for the 2015C Bonds must specify a maximum interest rate of 4.0% for 2015C Bonds maturing on or before January 1, 2023, and a maximum interest rate of 5.0% for 2015C Bonds maturing on or after January 1, 2024. No bid will be considered for the 2015C Bonds that is less than an amount equal to 108.5% of the par value of the 2015C Bonds or more than an amount equal to 117.5% of the par value of the 2015C Bonds, or for less than the entire offering of the 2015C Bonds.

Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours after 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 a series of the Bonds, each bidder thereby 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 modification or postponement communicated as described under "Modification, Postponement, Cancellation," will control.

- (ii) Bids may be submitted only 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 Parity, or have any liability for any delays or interruptions or any damages caused by the use or attempted 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 a series of the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for such series of the Bonds by giving notice as described under "Modification, Postponement, Cancellation" on or before the day prior to such new date and time.

Good Faith Deposit

The successful bidder for the 2015B Bonds is required to deliver a good faith deposit in the amount of \$285,000 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. The successful bidder for the 2015C Bonds is required to deliver a good faith deposit in the amount of \$260,000 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 each series of the Bonds at the time of the verbal award.

The good faith deposit of the successful bidder for each series of 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 such series of the Bonds on the delivery of such series of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit for each series of the Bonds may be invested for the sole benefit of the County.

If the Bonds are ready for delivery and the successful bidder for a series of the Bonds fails to complete the purchase of such series 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 may 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 will be paid by such bidder, unless otherwise paid. Any failure of a series of the Bonds to be so insured or of any such policy of insurance to be issued will not in any way relieve the successful bidder of such series of the Bonds of its contractual obligations arising from the acceptance of its proposal for the purchase of such series of the Bonds.

If the successful bidder for a series of the Bonds purchases insurance for such series of the Bonds, the County may require the successful bidder to furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel confirming that the insurance premium is less than the present value (calculated using the same yield as the yield on the insured Bonds) of the interest cost savings represented by the comparative differences between interest amounts that would have been payable on the various maturities of the insured Bonds at interest rates on the insured Bonds issued with and without the insurance on the insured Bonds.

Award

Each series of the Bonds will be sold to the bidder making a bid for such series of 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, each bid must state the true interest cost of the bid determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount each 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 a series of the Bonds and those bids are the best bids received, the Finance Director will determine 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, such series of the Bonds may be readvertised for sale in the manner provided by law and as described 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 2015B Bonds by an amount not to exceed 10% of the principal amount of the 2015B 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 2015B Bonds by the greater of \$500,000 or 15% of the principal amount of that maturity.

The County has reserved the right to increase or decrease the preliminary principal amount of the 2015C Bonds by an amount not to exceed 10% of the principal amount of the 2015C 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 2015C Bonds by the greater of \$150,000 or 15% of the principal amount of that maturity.

The price bid by the successful bidder for each series of the Bonds will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of such series of the Bonds. In the event that the County elects to increase or decrease the principal amount of a series of the Bonds after the bid pursuant to this Official Notice of Sale, the underwriter's discount for such series of the Bonds, 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 each series of the Bonds must advise the County and Bond Counsel of the initial reoffering prices to the public of such series of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder for each series of 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 such series of the Bonds;
- (ii) certifying that a *bona fide* initial public offering of such series of the Bonds was made on the date of sale of the Bonds (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 such series of the Bonds would be the first price at which at least 10% of the principal 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 the Initial Reoffering Price for each maturity of such series of the Bonds was in fact the first price at which at least 10% of the principal amount of such maturity was sold to the Public, except for specified maturities, if applicable.

Delivery

The County will deliver each series of the Bonds (consisting of one certificate per maturity of each series) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing will occur within 30 days after the Sale Date. Settlement will be in federal funds available in Seattle, Washington, on the date of delivery of the Bonds (the "Date of Issue"). Delivery is expected to be October 13, 2015.

If, prior to the delivery of the Bonds, the interest receivable by the owners of a series 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 such series of the Bonds, at its option, may

be relieved of its obligation to purchase such series of 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 Hillis Clark Martin & Peterson P.S., Seattle, Washington, Bond Counsel, for each series of the Bonds will be provided to the Purchaser of such series of the Bonds at the time of the delivery of the Bonds. Bond Counsel's opinions 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 ("Rule 15c2-12"). A no-litigation certificate will be included in the closing papers of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on the Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the successful bidder for each series of the Bonds to accept delivery of and pay for such series of the Bonds in accordance with the terms of this Official Notice of Sale.

The successful bidder for each series of the Bonds is responsible for obtaining CUSIP numbers for such series of the Bonds. The charge of the CUSIP Service Bureau will be paid by such successful bidder.

OTHER INFORMATION

Ongoing Disclosure Undertaking

To assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the County will undertake 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 under "Legal and Tax Information—Continuing Disclosure Undertaking" 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 Rule 15c2-12, 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 of each series of the Bonds through its designated representative not later than seven business days after the County's acceptance of such Purchaser's bid, in sufficient quantities to permit such Purchaser to comply with Rule 15c2-12.

By submitting the successful proposal, the Purchaser of each series of the Bonds 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 each maturity of such series 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 such series of the Bonds to the ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases such series of 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 Issue 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, U.S. Bank National Association, 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 11th day of September, 2015.

By: _____ /s/ Ken Guy

Ken Guy
Director of Finance and Business Operations Division
Department of Executive Services



Upcoming Calendar | Overview | Result | Excel

Morgan Stanley & Co, LLC - New York , NY's Bid



**King County
\$28,645,000 Limited Tax General Obligation Bonds, 2015,
Series B (Federally Tax-Exempt)**

For the aggregate principal amount of \$28,645,000.00, we will pay you \$32,630,026.67, 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 %
12/01/2016	2,365M	5.0000
12/01/2017	2,840M	5.0000
12/01/2018	2,895M	5.0000
12/01/2019	2,995M	5.0000
12/01/2020	3,080M	5.0000
12/01/2021	3,170M	5.0000
12/01/2022	3,305M	5.0000
12/01/2023	1,200M	2.5000
12/01/2024	1,250M	5.0000
12/01/2025	1,305M	5.0000
12/01/2026	765M	4.0000
12/01/2027	805M	4.0000
12/01/2028	845M	4.0000
12/01/2029	890M	4.0000
12/01/2030	935M	4.0000

Total Interest Cost: \$8,171,363.33
 Premium: \$3,985,026.67
 Net Interest Cost: \$4,186,336.66
 TIC: 2.129017
 Time Last Bid Received On: 09/21/2015 8:59:20 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: Morgan Stanley & Co, LLC, New York , NY
 Contact: Daniel Kelly
 Title: Executive Director
 Telephone: 212-761-1541
 Fax: 212-507-2510

Issuer Name: King County

Company Name: _____

PARITY Bid Form

14430

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____



ATTACHMENT C

2015B Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$2,015,000	5.00%
2017	2,555,000	5.00
2018	2,690,000	5.00
2019	2,820,000	5.00
2020	2,955,000	5.00
2021	3,105,000	5.00
2022	3,255,000	5.00
2023	1,205,000	2.50
2024	1,235,000	5.00
2025	1,300,000	5.00
2026	790,000	4.00
2027	820,000	4.00
2028	855,000	4.00
2029	890,000	4.00
2030	925,000	4.00

Purchase Price

\$31,266,506.03