



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**February 23, 2016**

**Motion 14576**

**Proposed No. 2016-0113.2**

**Sponsors Upthegrove**

1           A MOTION of the county council accepting a bid for the  
2           purchase of the county's Limited Tax General Obligation  
3           Bonds, 2016, Series A, in the aggregate principal amount of  
4           \$22,450,000, accepting a bid for the purchase of the  
5           county's Limited Tax General Obligation Bonds, 2016,  
6           Series B (Taxable), in the aggregate principal amount of  
7           \$2,575,000, and establishing certain terms of such bonds in  
8           accordance with Ordinance 18180.

9           WHEREAS, pursuant to Ordinance 18180 ("the Ordinance"), the county council  
10          authorized the issuance of one or more series of its limited tax general obligation bonds  
11          in an aggregate original principal amount not to exceed \$29,000,000 to provide financing  
12          for the Building for Culture Program, defined and described in the Ordinance, and to pay  
13          costs of issuing the bonds, and

14          WHEREAS, the Ordinance provided that such bonds may be issued as Tax-  
15          Exempt Bonds or Taxable Bonds and sold at public sale, either by competitive bid or  
16          negotiated sale, in one or more series as determined by the Finance Director in  
17          consultation with the county's financial 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 Bonds, 2016, Series A, in

20 the aggregate principal amount of \$22,450,000 ("the 2016A Bonds"), be issued as Tax-  
21 Exempt Bonds and sold as provided herein, and

22 WHEREAS, the Finance Director has determined that a second series of such  
23 bonds, to be designated as the county's Limited Tax General Obligation Bonds, 2016,  
24 Series B (Taxable), in the aggregate principal amount of \$2,575,000 ("the 2016B Bonds"  
25 and, together with the 2016A Bonds, "the Bonds"), be issued as Taxable Bonds and sold  
26 as provided herein, and

27 WHEREAS, currently, none of the bonds authorized by the Ordinance are  
28 outstanding, and

29 WHEREAS, a preliminary official statement dated February 12, 2016, has been  
30 prepared for the public sale of the Bonds, the official notice of such sale dated February  
31 12, 2016 ("the Notice"), has been duly published, and bids have been received in  
32 accordance with the Notice, and

33 WHEREAS, the attached bid of Citigroup Global Markets Inc. to purchase the  
34 2016A Bonds is the best bid received for the 2016A Bonds, and it is in the best interest of  
35 the county that the 2016A Bonds be sold to Citigroup Global Markets Inc. on the terms  
36 set forth in the Notice, the attached bid, the Ordinance and this motion, and

37 WHEREAS, the attached bid of J.P. Morgan Securities LLC to purchase the  
38 2016B Bonds is the best bid received for the 2016B Bonds, and it is in the best interest of  
39 the county that the 2016B Bonds be sold to J.P. Morgan Securities 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 Bonds.

46           1. 2016A Bonds. The issuance of the 2016A Bonds, designated as the county's  
47 Limited Tax General Obligation Bonds, 2016, Series A, in the aggregate original  
48 principal amount of \$22,450,000, and the other terms and conditions thereof set forth in  
49 the Notice attached hereto as Attachment A, are hereby ratified and confirmed. The offer  
50 to purchase the 2016A Bonds, as set forth in the bid of Citigroup Global Markets Inc., is  
51 attached hereto as Attachment B; provided, that such bid has been adjusted with respect  
52 to the aggregate principal amount and principal amount per maturity consistent with the  
53 terms of the Notice, such that the 2016A Bonds will mature on the dates and in the  
54 amounts, shall bear interest at the rates, and shall be sold at the purchase price specified  
55 in Attachment C. The 2016A Bonds shall be issued as Tax-Exempt Bonds, shall be dated  
56 their date of issue and delivery, and shall be subject to purchase and optional redemption,  
57 all as set forth in the Notice. In all other respects, the 2016A Bonds shall conform to the  
58 terms and conditions specified in the Notice and Ordinance.

59           2. 2016B Bonds. The issuance of the 2016B Bonds, designated as the county's  
60 Limited Tax General Obligation Bonds, 2016, Series B (Taxable), in the aggregate  
61 original principal amount of \$2,575,000, and the other terms and conditions thereof set  
62 forth in the Notice attached hereto as Attachment A, are hereby ratified and confirmed.  
63 The offer to purchase the 2016B Bonds, as set forth in the bid of J.P. Morgan Securities  
64 LLC, is attached hereto as Attachment D; provided, that such bid has been adjusted with

65 respect to the aggregate principal amount and principal amount per maturity consistent  
66 with the terms of the Notice, such that the 2016B Bonds will mature on the dates and in  
67 the amounts, shall bear interest at the rates, and shall be sold at the purchase price  
68 specified in Attachment E. The 2016B Bonds shall be issued as Taxable Bonds, shall be  
69 dated their date of issue and delivery, and shall be subject to purchase but shall not be  
70 subject to optional redemption, all as set forth in the Notice. The 2016B Bonds shall  
71 conform in all other respects to the terms and conditions specified in the Notice and  
72 Ordinance.

73 C. Application of Bond Proceeds.

74 1. 2016A Bonds. The proceeds, including any net original issue premium but  
75 net of the underwriter's discount, of the 2016A Bonds received by the county shall be  
76 applied as follows: \$26,147,134.68 shall be deposited into the 2016 Tax-Exempt G.O.  
77 Bonds Building for Culture Subfund within the Arts and Cultural Development Fund to  
78 be used to provide financing for such portion of the Building for Culture Program as  
79 qualifies for tax-exempt financing under the Code and to pay costs of issuing the 2016A  
80 Bonds.

81 2. 2016B Bonds. The proceeds, including any net original issue premium but  
82 net of the underwriter's discount, of the 2016B Bonds received by the county shall be  
83 applied as follows: \$2,570,614.62 shall be deposited into the 2016 Taxable G.O. Bonds  
84 Building for Culture Subfund within the Arts and Cultural Development Fund to be used  
85 to provide financing for such portion of the Building for Culture Program as does not  
86 qualify for tax-exempt financing under the Code and to pay costs of issuing the 2016B  
87 Bonds.

88 D. Undertaking to Provide Ongoing Disclosure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

153 Solely for purposes of disclosure, and not intending to modify this undertaking,  
154 the county advises with reference to items (c), (j) and (n) above that no debt service  
155 reserves secure payment of the Bonds, no property secures repayment of the Bonds, and  
156 there is no trustee for the Bonds.

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

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

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

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

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

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

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

201       F. Severability. The covenants contained in this motion shall constitute a  
202 contract between the county and the owners of each and every Bond. If any one or more

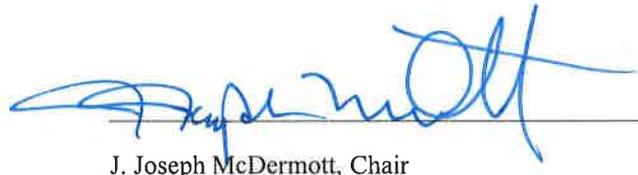
203 of the covenants or agreements provided in this motion to be performed on the part of the  
204 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
205 such covenant or covenants, agreement or agreements, shall be null and void and shall be

206 deemed separable from the remaining covenants and agreements of this motion and shall  
207 in no way affect the validity of the other provisions of this motion or of the Bonds.  
208

Motion 14576 was introduced on 2/22/2016 and passed as amended by the Metropolitan King County Council on 2/22/2016, by the following vote:

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

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments:** A. Official Notice of Sale, B. Winning Bid Series A, C. 2016A Bond Maturity Dates, Principal Amounts and Interest Rates, D. Winning Bid Series B, E. 2016B Bond Maturity Dates, Principal Amounts and Interest Rates

## OFFICIAL NOTICE OF SALE

KING COUNTY, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS  
\$22,275,000<sup>(1)</sup> \$2,580,000<sup>(1)</sup>  
2016, SERIES A 2016, SERIES B (TAXABLE)

Electronic bids for the Limited Tax General Obligation Bonds, 2016, Series A (the "2016A Bonds"), and Limited Tax General Obligation Bonds, 2016, Series B (Taxable) (the "2016B Bonds"), of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

FEBRUARY 22, 2016, AT

2016A: 8:30 A.M., PACIFIC TIME

2016B: 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 of the King County Department of Executive Services and communicated through Parity and i-Deal Prospectus, as described under "Modification, Postponement, Cancellation." All bids received with respect to either Series of 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 of such Series will be awarded to the successful bidder for that Series and the terms of the bid will be approved by the County Council at such meeting. The 2016A Bonds and the 2016B Bonds are referred to together in this Official Notice of Sale as the "Bonds" and individually as a "Series."

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 February 19, 2016. 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 February 12, 2016, 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](http://www.i-dealprospectus.com), or upon request to the Finance and Business Operations Division or the Financial Advisor. See "Contact Information."

**Contact Information**

Finance and Business Operations Division	Nigel Lewis King County (206) 263-2857 <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	Dan 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 Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2016, to the maturity 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 amounts set forth on page i 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 "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—2016A Bonds**

The bidder for the 2016A Bonds will designate whether the principal amounts of the 2016A Bonds as set forth below will be retired on December 1 of each respective year as serial bonds maturing on such dates or as mandatory sinking fund redemptions of the 2016A Bonds maturing in the years specified by the bidder ("Term Bonds").

**2016A BONDS**

Serial Maturity or Mandatory Sinking Fund Redemption	Principal Amounts <sup>(1)</sup>	Serial Maturity or Mandatory Sinking Fund Redemption	Principal Amounts <sup>(1)</sup>
12/1/2019	\$ 765,000	12/1/2025	\$ 1,995,000
12/1/2020	1,065,000	12/1/2026	2,095,000 <sup>(2)</sup>
12/1/2021	1,660,000	12/1/2027	2,180,000 <sup>(2)</sup>
12/1/2022	1,725,000	12/1/2028	2,265,000 <sup>(2)</sup>
12/1/2023	1,810,000	12/1/2029	2,360,000 <sup>(2)</sup>
12/1/2024	1,900,000	12/1/2030	2,455,000 <sup>(2)</sup>

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the 2016A Bonds unless Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of the Term Bonds.

If the successful bidder for the 2016A Bonds designates certain maturities of the 2016A Bonds as Term Bonds, the County will deposit money, consistent with the Bond Ordinance (defined in the Preliminary Official Statement), and will retire 2016A Bonds by purchase or redemption on December 1 of the years and in the amounts designated by such successful bidder to be mandatory sinking fund redemptions of the Term Bonds.

#### **Redemption of the 2016A Bonds**

*Optional Redemption.* The County reserves the right to redeem outstanding 2016A 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.

*Mandatory Sinking Fund Redemption of Term Bonds.* The County will redeem Term Bonds, if not redeemed as described above or purchased under the provisions described below, randomly (or in such manner as the Registrar determines), at the price of par plus accrued interest, 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 redemption or purchase prices) will be credited at the par amount thereof against one or more scheduled mandatory redemption amounts for the Term Bonds. The County will determine the manner in which the credit is to be allocated. If no such determination is made, credit will be allocated on a pro rata basis.

*Selection of Bonds for Redemption.* If fewer than all of the 2016A Bonds subject to optional redemption are called for redemption, the County will choose the maturities to be redeemed. If fewer than all of the 2016A Bonds maturing on the same date are called for redemption, the Registrar will select for redemption such 2016A Bonds or portions thereof randomly, or in such other manner as the Registrar determines, except that, for so long as the 2016A Bonds are registered in the name of DTC or its nominee, DTC will select for redemption such 2016A Bonds or portions thereof in accordance with the DTC Letter of Representations. In no event will any 2016A Bond be outstanding in a principal amount that is not \$5,000 or any integral multiple thereof.

*Notice of Redemption.* While 2016A 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 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 2016A Bonds cease to be in book-entry only form, unless waived by any registered owner of the 2016A Bonds to be redeemed, the County will cause notice of any intended redemption of 2016A 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 2016A Bond to be redeemed at the address appearing on the registration books for the 2016A Bonds maintained by the Registrar 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 2016A 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 2016A Bonds for which a notice of optional redemption has been rescinded will remain outstanding.

*Effect of Redemption.* Interest on each 2016A 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 2016A Bond or 2016A Bonds called are not redeemed when presented pursuant to the call.

#### **Redemption of the 2016B Bonds**

The 2016B Bonds are not subject to redemption prior to maturity.

### 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 irrevocably covenants and agrees that, for as long as any Bonds are outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. The County irrevocably pledges that the annual tax to be levied for the payment of such principal and interest will be within and as a part of the tax levy permitted to counties without a vote of the people, and that a sufficient portion of the taxes to be levied and collected annually by the County prior to the full payment of the principal of and interest on the Bonds will be and is irrevocably set aside, pledged, and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit, and resources of the County are irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same will become 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 rate that such Series of the Bonds will bear. The interest rates bid for the 2016A Bonds must be in a multiple of 1/8 or 1/20 of 1%. The interest rates bid for the 2016B Bonds must be in a multiple of 1/8 or 1/100 of 1%. No more than one rate of interest may be fixed for any single maturity of a Series of the Bonds. Bidders must specify interest rates equal to or greater than 4.00% for each maturity of the 2016A Bonds maturing on or after December 1, 2026. Bids will be without condition and may be submitted only electronically via Parity.

No bid will be considered for the 2016A Bonds that is less than an amount equal to 114% of the par value of the 2016A Bonds or more than an amount equal to 125% of the par value of the 2016A Bonds, or for less than the entire offering of the 2016A Bonds.

No bid will be considered for the 2016B Bonds that is less than an amount equal to 98% of the par value of the 2016B Bonds or more than an amount equal to 101% of the par value of the 2016B Bonds, or for less than the entire offering of the 2016B 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 by giving notice under the procedures 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 each Series of the Bonds is required to deliver a good faith deposit in the amount of \$220,000 with respect to the 2016A Bonds and \$26,000 with respect to the 2016B Bonds by federal funds wire transfer to the Treasury Section of the Finance and Business Operations 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 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 on the delivery of such Series 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 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 such 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 its contractual obligations arising from the acceptance of its proposal for the purchase of such Series.

If the successful bidder for the 2016A Bonds purchases insurance for the 2016A 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 2016A 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 2016A Bonds at interest rates on the insured 2016A Bonds issued with and without the insurance on the insured 2016A Bonds.

#### Award

Each Series of the Bonds will be sold to the bidder making a bid for such Series 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 such Series 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 may be re-advertised 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 2016A Bonds by an amount not to exceed 10% of the principal amount of the 2016A 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 2016A Bonds by 15% of the principal amount of that maturity. In addition, the County has reserved the right to modify the preliminary principal amount of the 2019 maturity of the 2016A Bonds by up to \$350,000.

The County has reserved the right to increase or decrease the preliminary principal amount of the 2016B Bonds by an amount not to exceed 10% of the principal amount of the 2016B 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 2016B Bonds by 15% of the principal amount of that maturity. In addition, the County has reserved the right to modify the preliminary principal amount of the 2016 maturity of the 2016B Bonds by up to \$50,000 and the 2019 maturity of the 2016B Bonds by up to \$265,000.

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. In the event that the County elects to increase or decrease the principal amount of such Series after the bid pursuant to this Official Notice of Sale, the underwriter's discount for such Series, 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 (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the 2016A Bonds, the successful bidder for the 2016A Bonds (but not the 2016B 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 2016A Bonds;
- (ii) certifying that a *bona fide* initial public offering of the 2016A 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 the 2016A 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 the Initial Reoffering Price for each maturity of the 2016A 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 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 March 10, 2016.

If, prior to the delivery of the 2016A Bonds, the interest receivable by the owners of the 2016A 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, at its option, may be relieved of its obligation to purchase the 2016A Bonds, and in that case the good faith deposit accompanying its bid will be returned without interest.

### Legal Matters

The Purchaser of each Series of the Bonds will be provided with the approving legal opinion of Hillis Clark Martin & Peterson P.S., Seattle, Washington, Bond Counsel, with respect to such Series, at the time of the delivery of such Series. 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 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. The charge of the CUSIP Service Bureau will be paid by the 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. 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 has deemed 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 and Business Operations 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, 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 to the ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases such Series; 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), 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, the Purchaser of each Series of the Bonds, 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 12th day of February, 2016.

By: \_\_\_\_\_ /s/ Ken Guy  
Ken Guy  
Director of Finance and Business Operations Division  
Department of Executive Services



## ATTACHMENT C

2016A Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$1,000,000	1.50%
2020	1,130,000	1.50
2021	1,680,000	1.75
2022	1,710,000	5.00
2023	1,795,000	5.00
2024	1,885,000	5.00
2025	1,980,000	5.00
2026	2,080,000	4.00
2027	2,165,000	4.00
2028	2,250,000	4.00
2029	2,340,000	4.00
2030	2,435,000	4.00

Purchase Price

\$26,147,134.68

# ATTACHMENT D

Upcoming Calendar	Overview	Result	Excel
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**J.P. Morgan Securities LLC - New York , NY's Bid  
King County**

**\$2,580,000 Taxable Limited Tax General Obligation Bonds,  
Series B**

For the aggregate principal amount of \$2,580,000.00, we will pay you \$2,575,606.10, 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	280M	0.5000
12/01/2017	1,010M	0.9500
12/01/2018	1,020M	1.0500
12/01/2019	270M	1.3000

Total Interest Cost: \$59,825.88  
 Discount: \$4,393.90  
 Net Interest Cost: \$64,219.78  
 TIC: 1.121502  
 Time Last Bid Received On: 02/22/2016 8:59:23 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: J.P. Morgan Securities LLC, New York , NY  
 Contact: Jaclyn Mischler  
 Title: Vice President  
 Telephone: 212-834-7155  
 Fax: 917-464-9300

Issuer Name: King County

Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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## ATTACHMENT E

2016B Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$ 260,000	0.50%
2017	1,095,000	0.95
2018	1,105,000	1.05
2019	115,000	1.30

Purchase Price

\$2,570,614.62