



King County

**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**November 23, 2009**

**Motion 13098**

**Proposed No.** 2009-0461.2

**Sponsors** Gossett

1                   A MOTION of the county council accepting a bid for the  
2                   purchase of the county's Unlimited Tax General Obligation  
3                   Refunding Bonds, 2009, Series A, in the aggregate  
4                   principal amount of \$19,570,000, and establishing certain  
5                   terms of such bonds and the plan of refunding, all in  
6                   accordance with Ordinance 16657.

7  
8                   WHEREAS, pursuant to Ordinance 16657 (the "Bond Ordinance"), the county  
9                   council authorized the issuance of one or more series of its unlimited tax general  
10                  obligation refunding bonds in an outstanding aggregate principal amount not to exceed  
11                  \$45,000,000 to refund all or a portion of the county's Unlimited Tax General Obligation  
12                  Refunding Bonds, 2000 and Unlimited Tax General Obligation Bonds, 2001 (Harborview  
13                  Medical Center), and

14                  WHEREAS, the Bond Ordinance provided that such bonds may be publicly sold  
15                  in one or more series, any of which may be sold in a combined offering with other bonds  
16                  of the county, either by negotiated sale or by competitive bid, as determined by the  
17                  Finance Director in consultation with the county's financial advisor, and

18           WHEREAS, the Finance Director has determined that a series of the bonds  
19 authorized pursuant to the Bond Ordinance, to be designated as the county's Unlimited  
20 Tax General Obligation Refunding Bonds, 2009, Series A (the "Bonds") be sold by  
21 competitive bid as provided herein, and

22           WHEREAS, none of the bonds authorized by the Bond Ordinance are currently  
23 outstanding, and

24           WHEREAS, a preliminary official statement dated November 13, 2009, has been  
25 prepared for the public sale of the Bonds, the official Notice of such sale dated November  
26 13, 2009 (the "Notice"), has been duly published, and bids have been received in  
27 accordance with the Notice, and

28           WHEREAS, the attached bid of Piper Jaffray to purchase the Bonds is the best  
29 bid received for the Bonds, and it is in the best interest of the county that the Bonds be  
30 sold to Piper Jaffray on the terms set forth in the Notice, the attached bid, the Bond  
31 Ordinance and this motion;

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

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

35           B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
36 Bonds. The issuance of the Bonds, designated as the county's Unlimited Tax General  
37 Obligation Refunding Bonds, 2009, Series A, in the aggregate principal amount of  
38 \$19,570,000, and the terms and conditions thereof, as set forth in the Notice attached  
39 hereto as Attachment A, are hereby ratified and confirmed. The offer to purchase the  
40 Bonds, as set forth in the bid of Piper Jaffray attached hereto as Attachment B, which

41 shall be deemed to be adjusted to reflect the changed aggregate principal amount of the  
42 Bonds and the changed principal amounts of all of the maturities thereof, as and to the  
43 extent permitted by the Notice, is hereby accepted. The Bonds shall be dated their date of  
44 issue and delivery, and shall be subject to optional redemption as set forth in the Notice.  
45 The Bonds shall mature or be subject to mandatory redemption on the dates and in the  
46 amounts, and shall bear interest at the rates specified in Attachment C hereto. In all other  
47 respects, the Bonds shall conform to the terms and conditions specified in the Notice and  
48 the Bond Ordinance.

49 C. Application of Bond Proceeds; Refunding of Refunded 2001 Bonds.

50 1. Application of Bond Proceeds. All of the net proceeds of the Bonds shall be  
51 applied to: (a) the refunding of \$20,250,000 of the county's Unlimited Tax General  
52 Obligation Bonds, 2001 (Harborview Medical Center) maturing on and after December 1,  
53 2011 (the "Refunded 2001 Bonds"), by providing for the payment of the principal of and  
54 the interest on those Refunded 2001 Bonds that will become due and payable on or  
55 before December 1, 2010 (the "Refunded 2001 Bond Redemption Date"), and the  
56 redemption price of the Refunded 2001 Bonds that can and will be called for redemption  
57 on the Refunded 2001 Bond Redemption Date; and (b) the payment of the costs and  
58 expenses incurred in issuing the Bonds.

59 2. Plan of Refunding. The proper county officials are authorized to carry out  
60 the refunding plan in accordance with Section 11 of the Bond Ordinance. The amounts,  
61 maturities and redemption dates of the Refunded 2001 Bonds shall be as identified in  
62 Attachment D. The amounts, maturities and interest rates of the Government Obligations

63 to be purchased to accomplish the refunding of the Refunded 2001 Bonds shall be as  
64 identified in Attachment E hereto.

65 3. Escrow Trustee. The selection of U.S. Bank National Association as Escrow  
66 Trustee for the refunding of the Refunded 2001 Bonds is hereby ratified and confirmed.

67 4. Finding of Savings and Defeasance. The county council finds and determines  
68 that a substantial savings will be effected by the difference between the principal and  
69 interest cost over the life of the Bonds and the principal and interest cost over the life of  
70 the Refunded 2001 Bonds but for such refunding, and that such Government Obligations  
71 to be deposited with the Escrow Trustee and the income therefrom, together with any  
72 necessary beginning cash balance, are sufficient to defease and redeem the Refunded  
73 2001 Bonds and will discharge and satisfy the obligations of the county with respect to  
74 the Refunded 2001 Bonds under the ordinance pursuant to which the Refunded 2001  
75 Bonds were issued, and the pledge of the county in such ordinance. Immediately upon  
76 delivery of such Government Obligations to the Escrow Trustee and the deposit of any  
77 necessary beginning cash balance, the Refunded 2001 Bonds shall be deemed not to be  
78 outstanding under the ordinance pursuant to which they were issued and shall cease to be  
79 entitled to any lien, benefit or security under such ordinance except the right to receive  
80 payment from such Government Obligations and beginning cash balance so set aside and  
81 pledged.

82 D. Undertaking to Provide Ongoing Disclosure.

83 1. Contract/Undertaking. This section D constitutes the county's written  
84 undertaking for the benefit of the owners and beneficial owners of the Bonds as required

85 by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission  
86 (the "SEC").

87 2. Financial Statements/Operating Data. The county agrees to provide or cause  
88 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the  
89 following annual financial information and operating data for the prior fiscal year  
90 (commencing in 2010 for the fiscal year ended December 31, 2009):

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

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

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

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

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

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

104 Items (b) through (f) shall be required only to the extent that such information is  
105 not included in the annual financial statement.

106 Such annual information and operating data described above shall be provided on  
107 or before the end of seven months after the end of the county's fiscal year. The county's

108 fiscal year currently ends on December 31. The county may adjust such fiscal year by  
109 providing written notice of the change of fiscal year the MSRB. In lieu of providing such  
110 annual financial information and operating data, the county may cross-reference to other  
111 documents available to the public on the MSRB's internet web site or filed with the SEC.

112 If not provided as part of the annual financial information discussed above, the  
113 county shall provide the county's audited annual financial statement prepared in  
114 accordance with BARS when and if available to the MSRB.

115 3. Material Events. The county agrees to provide or cause to be provided, in a  
116 timely manner, to the MSRB, notice of the occurrence of any of the following events  
117 with respect to the Bonds, if material:

- 118 (a) principal and interest payment delinquencies;
- 119 (b) non-payment related defaults;
- 120 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 121 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 122 (e) substitution of credit or liquidity providers, or their failure to perform;
- 123 (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 124 (g) modifications to rights of Bondholders;
- 125 (h) optional, contingent or unscheduled calls of any Bonds other than  
126 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act  
127 Release 34-23856;

- 128 (i) defeasances;
- 129 (j) release, substitution or sale of property securing repayment of the Bonds;

130 and

131 (k) rating changes.

132 Solely for purposes of disclosure, and not intending to modify this undertaking,  
133 the county advises with reference to items (c) and (j) above that no debt service reserves  
134 secure payment of the Bonds and no property secures repayment of the Bonds.

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

139 5. Electronic Format; Identifying Information. The county agrees that all  
140 documents provided to the MSRB pursuant to this section D shall be provided in an  
141 electronic format and accompanied by such identifying information, each as prescribed  
142 by the MSRB.

143 6. Termination/Modification. The county's obligations to provide annual  
144 financial information and notices of material events shall terminate upon the legal  
145 defeasance, prior redemption or payment in full of all of the Bonds. This section, or any  
146 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally  
147 recognized bond counsel to the effect that those portions of the rule which require this  
148 section, or any such provision, are invalid, have been repealed retroactively or otherwise  
149 do not apply to the Bonds; and (ii) notifies the MSRB of such opinion and the  
150 cancellation of this section.

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

154 In the event of any amendment or waiver of a provision of this section D, the  
155 county shall describe such amendment in the next annual report, and shall include, as  
156 applicable, a narrative explanation of the reason for the amendment or waiver and its  
157 impact on the type (or in the case of a change of accounting principles, on the  
158 presentation) of financial information or operating data being presented by the county. In  
159 addition, if the amendment relates to the accounting principles to be followed in  
160 preparing financial statements, (i) notice of such change shall be given in the same  
161 manner as for a material event under subsection 3, and (ii) the annual report for the year  
162 in which the change is made should present a comparison (in narrative form and also, if  
163 feasible, in quantitative form) between the financial statements as prepared on the basis  
164 of the new accounting principles and those prepared on the basis of the former accounting  
165 principles.

166 7. Bond Owners' Remedies Under This Section. The right of any Bond owner  
167 or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a  
168 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
169 by the county to comply with the provisions of this undertaking shall not be an event of  
170 default with respect to the Bonds. For purposes of this section, "beneficial owner" means  
171 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
172 to dispose of ownership of, any Bonds, including persons holding Bonds through  
173 nominees or depositories.

174 E. Further Authority. The proper county officials, their agents, and  
175 representatives are hereby authorized and directed to do everything necessary for the



176 prompt issuance and delivery of the Bonds and for the proper use and application of the  
177 proceeds of such sale.

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

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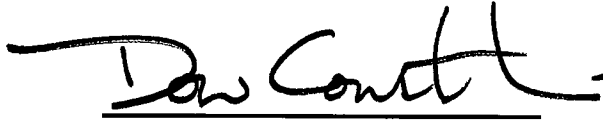
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183 deemed separable from the remaining covenants and agreements of this motion and shall  
184 in no way affect the validity of the other provisions of this motion or of the Bonds.  
185

Motion 13098 was introduced on 8/31/2009 and passed by the Metropolitan King County Council on 11/23/2009, by the following vote:

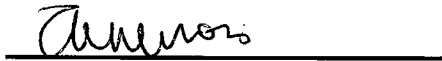
Yes: 9 - Mr. Constantine, Mr. Ferguson, Ms. Hague, Ms. Lambert, Mr. von Reichbauer, Mr. Gossett, Mr. Phillips, Ms. Patterson and Mr. Dunn  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Dow Constantine, Chair

ATTEST:



Anne Noris, Clerk of the Council

**Attachments** A. Official Notice of Bond Sale, B. Winning Bid Piper Jaffray - Minneapolis, MN's Bid King County \$19,320,000 Unlimited Tax General Obligation Refunding Bonds, 2009, Series A, C. \$19,570,000 King County, Washington Unlimited Tax General Obligation Refunding Bonds, 2009, Series A Maturity Dates, Principal Amounts and Interest Rates, D. Description of the Refunded 2001 Bonds, E. Government Obligations

# 13098

# ATTACHMENT A

## OFFICIAL NOTICE OF BOND SALE

### KING COUNTY, WASHINGTON

\$17,040,000\*

Limited Tax General Obligation Refunding Bonds, 2009, Series C

\$9,035,000\*

Limited Tax General Obligation Refunding Bonds, 2009, Series D

\$19,320,000\*

Unlimited Tax General Obligation Refunding Bonds, 2009, Series A

Separate electronic bids for the Limited Tax General Obligation Refunding Bonds, 2009, Series C (the "LTGO Series C Bonds"), the Limited Tax General Obligation Refunding Bonds, 2009, Series D (the "LTGO Series D Bonds"), and the Unlimited Tax General Obligation Refunding Bonds, 2009, Series A (the "UTGO Bonds"), of King County, Washington (the "County"), will be received via *PARITY* in the manner described below on

NOVEMBER 23, 2009, AT

LTGO SERIES C BONDS: 8:30 A.M., PACIFIC TIME,

LTGO SERIES D BONDS: 9:00 A.M., PACIFIC TIME,

UTGO BONDS: 9:30 A.M., PACIFIC TIME,

or at such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 18 hours prior to the time bids are to be received, for the purchase of the 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 the Bonds, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

The LTGO Series C Bonds and the LTGO Series D Bonds together are referred to in this Official Statement as the "LTGO Bonds," and the LTGO Bonds and the UTGO Bonds together are referred to in this Official Statement as the "Bonds."

Each series of the Bonds will be sold on an all-or-none basis. Bidders who choose to bid on more than one series of the Bonds must submit a separate bid for each series. Bids for each series of the Bonds must be submitted electronically via *PARITY* in accordance with its Rules of Participation and this notice, and no bid will be received after the time for receiving bids specified above. For further information about *PARITY*, potential bidders may contact the County's financial advisor, Seattle-Northwest Securities Corporation, at (206) 628-2882, or *PARITY* at (212) 849-5021.

By submitting an electronic bid for any series of the Bonds, each bidder hereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of Bond Sale, including any amendments issued by public wire, shall control.
- (ii) Bids may only be submitted via *PARITY*. The bidder is solely responsible for making necessary arrangements to access *PARITY* for purposes of submitting a bid timely and in compliance with the requirements of this Official Notice of Bond Sale.

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\* Preliminary, subject to change.

- (iii) The County shall have no duty or obligation to provide or assure access to *PARITY*, and shall not be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of *PARITY*.
- (iv) The County is using *PARITY* as a communication mechanism, and not as an agent of the County.
- (v) Upon acceptance of a bid by the County, this Official Notice of Bond Sale and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

If all bids for any 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 communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 18 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Bond Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale), dated November 13, 2009, 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 King County Finance Director, Sixth Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

#### **Description of the Bonds**

The Bonds will be dated the date of their initial delivery. The LTGO Series C Bonds bear interest payable semiannually on each January 1 and July 1, beginning July 1, 2010, to the maturity of the LTGO Series C Bonds. The LTGO Series D Bonds and the UTGO Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2010, to the maturity of the LTGO Series D Bonds and the UTGO Bonds.

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"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency for the State of Washington, currently The Bank of New York Mellon in New York, New York (the "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.

**Election of Maturities**

*LTGO Series C Bonds.* The bidder for the LTGO Series C Bonds shall designate whether the principal amounts of the LTGO Series C Bonds as set forth below shall be retired on the following dates as serial bonds maturing in each year or as amortization installments of term bonds maturing in the years specified by the bidder.

<b>Serial Maturities or Amortization</b>		<b>Serial Maturities or Amortization</b>	
<b>Installments</b>	<b>Principal</b>	<b>Installments</b>	<b>Principal</b>
<b>(July 1)</b>	<b>Amounts*</b>	<b>(January 1)</b>	<b>Amounts*</b>
2010	\$ 175,000	2020	\$ 3,080,000
		2021	3,215,000
		2022	3,370,000
		2023	3,520,000
		2024	3,680,000

The County will deposit certain money as provided in the LTGO Series C Bond Ordinance and will retire the LTGO Series C Bonds by purchase or redemption on or before January 1 or July 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

*LTGO Series D Bonds.* The bidder for the LTGO Series D Bonds shall designate whether the principal amounts of the Bonds as set forth below shall be retired on December 1 of each respective year as serial bonds maturing in such year or as amortization installments of term bonds maturing in the years specified by the bidder.

<b>Serial Maturities or Amortization</b>	<b>Principal</b>
<b>Installments</b>	<b>Amounts*</b>
2010	\$ 2,870,000
2011	3,005,000
2012	3,160,000

The County will deposit certain money as provided in the LTGO Series D Bond Ordinance and will retire the LTGO Series D Bonds by purchase or redemption on or before December 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

*UTGO Bonds.* The bidder for the UTGO Bonds shall designate whether the principal amounts of the UTGO Bonds as set forth below shall be retired on December 1 of each respective year as serial bonds maturing in such year or as amortization installments of term bonds maturing in the years specified by the bidder.

<b>Serial Maturities or Amortization</b>		<b>Serial Maturities or Amortization</b>	
<b>Installments</b>	<b>Principal</b>	<b>Installments</b>	<b>Principal</b>
	<b>Amounts*</b>		<b>Amounts*</b>
2010	\$ 125,000	2016	\$ 2,145,000
2011	1,485,000	2017	2,305,000
2012	1,605,000	2018	2,485,000
2013	1,725,000	2019	1,705,000
2014	1,865,000	2020	1,875,000
2015	2,000,000		

The County will deposit certain money as provided in the UTGO Bond Ordinance and will retire the UTGO Bonds by purchase or redemption on or before December 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

### **Redemption of the Bonds**

The County reserves the right to redeem outstanding LTGO Series C Bonds maturing on or after January 1, 2021, in whole or in part at any time on or after January 1, 2020, at the price of par plus accrued interest, if any, to the date fixed for redemption. The County reserves the right to redeem outstanding UTGO Bonds maturing on December 1, 2020, in whole or in part on or after December 1, 2019, at the price of par plus accrued interest, if any, to the date fixed for redemption. The LTGO Series D Bonds are not subject to optional redemption.

In addition, the Bonds may be subject to mandatory redemption if the successful bidder for a series of the Bonds specifies term bonds for that series.

### **Security**

The Bonds are general obligations of the County. The County has irrevocably covenanted that each year, for as long as any of the LTGO Bonds are outstanding and unpaid, it will include in its budget and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people upon all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the LTGO Bonds as the same shall become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the LTGO Bonds as the same shall become due.

In addition, the County has irrevocably covenanted, for as long as any of the UTGO Bonds are outstanding and unpaid, to include in its budget each year and make an annual levy of taxes without limitation as to rate or amount on all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the UTGO Bonds as the same will become due. The full faith, credit and resources of the County are pledged irrevocably for the annual levy and collection of these taxes and for the prompt payment of the principal and interest on the UTGO Bonds as the same shall become due.

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

### **Adjustment of Principal Amounts Before Bid Opening**

Bidders are advised that the County may increase or decrease the total principal amount of the Bonds of any series and/or the amounts of individual maturities stated in this Official Notice of Bond Sale (including any amendments issued by the County through a wire service) prior to the bidding. If such changes are made, they will be made available through *PARITY*.

### **Bidding Information**

Bidders are invited to submit separate bids for the purchase of any or all series of the Bonds fixing the interest rates that the Bonds of each series will bear. The interest rates bid shall be in a multiple of 1/8 or 1/20 of one percent. No more than one rate of interest may be fixed for any one maturity of the Bonds. Bids shall be without condition and shall be only submitted electronically via *PARITY*.

No bid will be considered for the LTGO Series C Bonds that is less than an amount equal to 99 percent of the par value of the LTGO Series C Bonds nor more than an amount equal to 107 percent of the par value of the LTGO Series C Bonds, or for less than the entire offering of the LTGO Series C Bonds. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity.

No bid will be considered for the LTGO Series D Bonds that is less than an amount equal to 99 percent of the par value of the LTGO Series D Bonds nor more than an amount equal to 107 percent of the par value of the LTGO Series D Bonds, or for less than the entire offering of the LTGO Series D Bonds.

No bid will be considered for the UTGO Bonds that is less than an amount equal to 100 percent of the par value of the UTGO Bonds nor more than an amount equal to 113 percent of the par value of the UTGO Bonds, or for less than the entire offering of the UTGO Bonds. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity.

For the purpose of the preceding paragraphs, "price" shall be defined as the lesser of the price at the redemption date or the price at the maturity date.

For the purpose of comparing bids only, the interest rate bid being controlling, each bid shall state the true interest cost of the bid, determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payment from the payment date to the date of the Bonds and to the price bid.

Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours of submitting their bids. The County strongly encourages the inclusion of women and minority business enterprise firms in bidding syndicates.

#### **Adjustment of Par Amount and Bid Price After Award**

The County has reserved the right to increase or decrease the preliminary principal amount of the LTGO Series C Bonds by an amount not to exceed 10 percent following the opening of the bids. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the LTGO Series C Bonds by the greater of \$200,000 or 15 percent of the preliminary principal amount of that maturity.

The County has reserved the right to increase or decrease the preliminary principal amount of the LTGO Series D Bonds by an amount not to exceed 10 percent following the opening of the bids. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the LTGO Series D Bonds by 15 percent of the preliminary principal amount of that maturity.

The County has reserved the right to increase or decrease the preliminary principal amount of the UTGO Bonds by an amount not to exceed 15 percent following the opening of the bids. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the UTGO Bonds by the greater of \$300,000 or 20 percent of the preliminary 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 and maturity schedule of such series of the Bonds within 24 hours of the bid opening. The County will not be responsible in the event and to the extent that any adjustment affects the net compensation to be realized by the successful bidder of any series of the Bonds.

#### **Good Faith Deposit**

The successful bidder shall deliver a good faith deposit in the amount of \$170,000 with respect to the LTGO Series C Bonds, \$90,000 with respect to the LTGO Series D Bonds, and \$190,000 with respect to the UTGO Bonds, to the King County Treasury Section by no later than 90 minutes following the successful bidder's receipt of the verbal award. The good faith deposit may be paid in either of the following ways:

- (i) By federal funds wire transfer. Wiring instructions will be provided on Parity.
- (ii) By delivering a certified or bank cashier's check made payable to the order of the King County Director of Finance and Business Operations Division at the following address: King County Administration Building, Room 610, 500 4th Avenue, Seattle, Washington.

The good faith deposit of the successful bidder of 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 of a series are ready for delivery and the successful bidder 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 shall 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 shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

### **Award**

The Bonds of each series will be sold to the bidder making a bid conforming to the terms of the offering and which, on the basis of the County's determination of the lowest true interest cost, is the best bid. The true interest cost to the County for a series of the Bonds will be the rate that, when used to discount to the date of such series of the Bonds all future payments of principal and interest (using semiannual compounding and a 30/360 day basis), produces an amount equal to the bid amount, without regard to the interest accrued to the date of delivery of such series of the Bonds.

If there are two or more equal bids for a series of the Bonds and those bids are the best bids received, the County Council will determine by lot which bid will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process and, 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 provided above.

### **Issue Price Information**

Upon award of the Bonds, the successful bidder for each series of the Bonds shall 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 each series of the Bonds, the successful bidder for each series of the Bonds shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the applicable series of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the prices at which a substantial amount (at least ten percent) of each maturity of such series of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) if the first price at which a substantial amount of any maturity of such series of the Bonds does not conform to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that resulted in that nonconformity, and
- (v) stating which maturities, if any, are amortization installments of Term Bonds maturing in the years specified by the bidder.



## **Delivery**

The County will deliver the Bonds (consisting of one word-processed certificate for each maturity of each series of the Bonds) 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 shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be December 10, 2009.

It is understood that 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 this Preliminary Official Statement for the Bonds, 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.

The approving legal opinion of Gottlieb Fisher PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser(s) at the time of the delivery of the Bonds. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Preliminary Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC 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 purchaser of the Bonds thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

*The County's financial advisor is responsible for obtaining CUSIP numbers for the Bonds, and the charge of the CUSIP Bureau will be paid by the County.*

## **Ongoing Disclosure Undertaking**

To assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the Sale Motions, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in this Preliminary Official Statement and will also be set forth in the final Official Statement.

## **Official Statement**

This Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the expense of the County, to the purchaser(s) not later than seven business days after the County's acceptance of the purchaser's bid. The County will deliver no more than 100 copies of the final Official Statement to the purchaser of the Bonds. Additional copies will be provided at the purchaser's expense.

By submitting the successful proposal, each purchaser's designated senior representative agrees to file, or cause to be filed, within one business day following the receipt from the County, the final Official Statement with each nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

At the time of the delivery of the Bonds, one or more officials of the County will furnish a certificate stating that to the best of his or her knowledge and belief at the time of the acceptance of the bids for and at the time of delivery of the Bonds, this Official Statement and information furnished by the County supplemental thereto did not and do not contain any untrue statements of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in any material respect.

The County will advise the purchasers of the Bonds, by written notice, of any “developments that impact the accuracy and completeness of the key presentations” (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final Official Statement has been filed with each municipal securities information repository, in which event such period will end on the 25th day.

DATED at Seattle, Washington, this 13th day of November, 2009.

\_\_\_\_\_  
/s/  
Clerk of the Metropolitan King County Council

# 13098

# ATTACHMENT B

## Piper Jaffray - Minneapolis , MN's Bid King County



### \$19,320,000 Unlimited Tax General Obligation Refunding Bonds, 2009, Series A

For the aggregate principal amount of \$19,320,000.00, we will pay you \$21,024,044.19, 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 %
12/01/2010	125M	3.0000
12/01/2011	1,485M	4.0000
12/01/2012	1,605M	3.0000
12/01/2013	1,725M	3.0000
12/01/2014	1,865M	3.0000
12/01/2015	2,000M	2.5000
12/01/2016	2,145M	5.0000
12/01/2017	2,305M	4.0000
12/01/2018	2,485M	4.0000
12/01/2019	1,705M	4.0000
12/01/2020	1,875M	5.0000

Total Interest Cost: \$5,131,705.00  
Premium: \$1,704,044.19

Net Interest Cost: \$3,427,660.81  
TIC: 2.498338

Time Last Bid Received On:11/23/2009 9:29:56 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: Piper Jaffray, Minneapolis ; MN  
Contact: Steve Cavalier  
Title: Managing Director  
Telephone:612-303-6666  
Fax: 612-303-1326

Issuer Name: King County

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

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

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

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

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



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ATTACHMENT C

\$19,570,000  
KING COUNTY, WASHINGTON  
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS,  
2009, SERIES A

Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
12/1/2010	\$ 245,000	3.000%
12/1/2011	1,610,000	4.000
12/1/2012	1,735,000	3.000
12/1/2013	1,850,000	3.000
12/1/2014	1,970,000	3.000
12/1/2015	2,095,000	2.500
12/1/2016	2,210,000	5.000
12/1/2017	2,395,000	4.000
12/1/2018	2,555,000	4.000
12/1/2019	1,385,000	4.000
12/1/2020	1,520,000	5.000

## ATTACHMENT D

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## Description of the Refunded 2001 Bonds

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date (December 1)</u>	<u>Redemption Price</u>
2011	\$1,375,000	4.30%	2010	100.00%
2012	1,495,000	4.40	2010	100.00
2013	1,620,000	4.50	2010	100.00
2014	1,760,000	4.60	2010	100.00
2015	1,905,000	4.70	2010	100.00
2016	2,060,000	4.80	2010	100.00
2017	2,230,000	4.80	2010	100.00
2018	2,405,000	4.90	2010	100.00
2019	2,595,000	5.00	2010	100.00
2020	2,805,000	5.00	2010	100.00

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ATTACHMENT E

Government Obligations

<u>Type of Security</u>	<u>Type of SLGS</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>
SLGS	Certificate	6/1/2010	\$ 480,804	0.100%
SLGS	Certificate	12/1/2010	20,682,618	0.240