



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**June 10, 2014**

**Motion 14143**

**Proposed No. 2014-0214.2**

**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, 2014, Series B (Federally Tax-Exempt), in the  
4           aggregate principal amount of \$15,395,000, and  
5           establishing certain terms of such bonds in accordance with  
6           Ordinance 17794.

7           WHEREAS, pursuant to Ordinance 17794 (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 \$17,750,000 to provide long-  
10          term financing for all or part of the capital costs of the Surface Water Management  
11          Projects and the Tall Chief Acquisition Project (collectively, the "Projects"), all as  
12          defined and described in the Ordinance, and

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

17          WHEREAS, the Finance Director has determined that a series of such bonds, to  
18          be designated as the county's Limited Tax General Obligation Bonds, 2014, Series B  
19          (Federally Tax-Exempt), in the aggregate principal amount of \$15,395,000 (the "Bonds"),

20 shall be issued as Tax-Exempt Obligations and sold to provide long-term financing for all  
21 or part of the capital costs of the Projects, as provided herein, and

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

24 WHEREAS, a preliminary official statement dated June 2, 2014, has been  
25 prepared for the public sale of the Bonds, the official notice of such sale dated June 2,  
26 2014 (the "Notice"), has been published, and bids have been received in accordance with  
27 the Notice, and

28 WHEREAS, the attached bid of J.P. Morgan Securities LLC to purchase the  
29 Bonds is the best bid received for the Bonds, and it is in the best interest of the county  
30 that the Bonds be sold to J.P. Morgan Securities LLC on the terms set forth in the Notice,  
31 the attached bid, the 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 Ordinance.

35 B. Ratification of Terms, Acceptance of Bids, and Authorization of Sale of  
36 Bonds. The issuance of the Bonds, designated as the county's Limited Tax General  
37 Obligation Bonds, 2014, Series B (Federally Tax-Exempt), in the aggregate principal  
38 amount of \$15,395,000, to provide long-term financing for all or part of the capital costs  
39 of the Projects, and the other terms and conditions thereof set forth in the Notice attached  
40 hereto as Attachment A, are hereby ratified and confirmed. The offer to purchase the  
41 Bonds, as set forth in the bid of J.P. Morgan Securities LLC, attached hereto as  
42 Attachment B, is hereby accepted; provided, that such bid has been adjusted with respect

43 to the aggregate principal amount and principal amount per maturity consistent with the  
44 terms of the Notice, such that the Bonds will mature on the dates and in the amounts,  
45 shall bear interest at the rates, and shall be sold at the purchase price specified in  
46 Attachment C. The Bonds shall be dated their date of issue and delivery, and shall be  
47 subject to optional redemption as set forth in the Notice. The Bonds shall be issued as  
48 Tax-Exempt Obligations, as defined in the Ordinance. In all other respects, the Bonds  
49 shall conform to the terms and conditions specified in the Notice and the Ordinance.

50 C. Application of Bond Proceeds. The proceeds, including any original issue  
51 premium but net of underwriter's discount, of the Bonds received by the county shall be  
52 deposited as follows:

53 1. The sum of \$13,673,171.07 shall be deposited into the 2014 G.O Bonds -  
54 SWM Subfund to provide long-term financing for all or part of the capital costs  
55 (including related Bond issuance costs) of the Surface Water Management Projects; and

56 2. The sum of \$3,619,095.69 shall be deposited into the 2014 G.O. Bonds -  
57 WLD Subfund to provide long-term financing for all or part of the capital costs  
58 (including related Bond issuance costs) of the Tall Chief Acquisition Project.

59 D. Undertaking to Provide Ongoing Disclosure.

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

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

66 following annual financial information and operating data for the prior fiscal year  
67 (commencing in 2014 for the fiscal year ended December 31, 2013):

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

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

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

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

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

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

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

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

88 cross-reference to other documents available to the public on the MSRB's internet web  
89 site or filed with the SEC.

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

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

- 97 (a) principal and interest payment delinquencies;
- 98 (b) non-payment related defaults, if material;
- 99 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 100 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 101 (e) substitution of credit or liquidity providers, or their failure to perform;
- 102 (f) adverse tax opinions, the issuance by the Internal Revenue Service of  
103 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form  
104 5701-TEB) or other material notices or determinations with respect to the tax status of the  
105 Bonds, or other material events affecting the tax status of the Bonds;
- 106 (g) modifications to rights of Bondholders, if material;
- 107 (h) Bond calls, if material, and tender offers;
- 108 (i) defeasances;
- 109 (j) release, substitution or sale of property securing repayment of the Bonds, if  
110 material;

111 (k) rating changes;

112 (l) bankruptcy, insolvency, receivership, or similar event of the county;

113 (m) the consummation of a merger, consolidation or acquisition involving the  
114 county or the sale of all or substantially all of the assets of the county, other than in the  
115 ordinary course of business, the entry into a definitive agreement to undertake such an  
116 action or the termination of a definitive agreement relating to any such actions, other than  
117 pursuant to its terms, if material; and

118 (n) appointment of a successor or additional trustee or the change of name of a  
119 trustee, if material.

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

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

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

132 6. Termination/Modification. The county's obligations to provide annual  
133 financial information and notices of specified events shall terminate upon the legal

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

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

143           In the event of any amendment or waiver of a provision of the Undertaking, the  
144 county shall describe such amendment in the next annual report, and shall include, as  
145 applicable, a narrative explanation of the reason for the amendment or waiver and its  
146 impact on the type (or in the case of a change of accounting principles, on the  
147 presentation) of financial information or operating data being presented by the county. In  
148 addition, if the amendment relates to the accounting principles to be followed in  
149 preparing financial statements, (i) notice of such change shall be given in the same  
150 manner as for a specified event under subsection 3, and (ii) the annual report for the year  
151 in which the change is made should present a comparison (in narrative form and also, if  
152 feasible, in quantitative form) between the financial statements as prepared on the basis  
153 of the new accounting principles and those prepared on the basis of the former accounting  
154 principles.

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

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

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

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



173 deemed separable from the remaining covenants and agreements of this motion and shall  
174 in no way affect the validity of the other provisions of this motion or of the Bonds.  
175

Motion 14143 was introduced on 6/9/2014 and passed as amended by the Metropolitan King County Council on 6/9/2014, 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



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Larry Phillips, Chair

ATTEST:



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Anne Noris, Clerk of the Council

**Attachments:** A. Official Notice of Sale, B. J.P. Morgan Securities LLC - New York, NY's winning bid, C. Maturity Dates, Principal Amounts and Interest Rates

**OFFICIAL NOTICE OF SALE**

**\$15,360,000\***

**KING COUNTY, WASHINGTON**

**LIMITED TAX GENERAL OBLIGATION BONDS, 2014, SERIES B (FEDERALLY TAX-EXEMPT)**

Electronic bids for the Limited Tax General Obligation Bonds, 2014, Series B (Federally Tax-Exempt) (the "Bonds"), of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

**JUNE 9, 2014, AT 9:30 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, Cancellation, Postponement." All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid for the Bonds, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

The Bonds will be sold on an all-or-none basis. Bids for the Bonds must be submitted electronically via Parity in accordance with its Rules of Participation and this notice, and no bid will be received after the time for receiving bids specified above. For further information about Parity, potential bidders may contact Parity at (212) 849-5021.

*Modification, Cancellation, Postponement.* Bidders are advised that the County may modify the terms of this Official Notice of Sale prior to the time for receipt of bids, or postpone or cancel the sale of the Bonds, at its discretion. Any such modification, postponement, or cancellation will be provided to Parity and I-Deal Prospectus on or before June 6, 2014, except when infeasible due to emergency or unforeseen events or circumstances. As an accommodation to bidders, telephone, facsimile, or electronic notice of any amendment or modification of this Official Notice of Sale will be given to any bidder requesting such notice from the County's financial advisor (the "Financial Advisor") at the address and phone number provided under "Contact Information" below. Failure of any bidder to receive such notice will not affect the legality of the sale.

A copy of the County's Preliminary Official Statement (with this Official Notice of Sale), dated June 2, 2014, 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 Division or the Financial Advisor. See "Contact Information."

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\* Preliminary, subject to change.

**Contact Information**

|                   |   |
|-------------------|---|
| Finance Division  | Nigel Lewis<br>King County<br>(206) 296-1168<br><i>nigel.lewis@kingcounty.gov</i>   |
| Financial Advisor | Rob Shelley<br>Piper Jaffray/Seattle-Northwest Division<br>Office: (206) 628-2879<br>Day of Sale: (206) 601-2249<br><i>robert.e.shelley@pjc.com</i> |
| Bond Counsel      | Daniel S. Gottlieb<br>Hillis Clark Martin & Peterson P.S.<br>(206) 470-7627<br><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 December 1, 2014, 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 agency for the State of Washington, currently The Bank of New York Mellon in New York, New York (the “Registrar”), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

**Maturities**

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

| <u>Serial Maturity or<br/>Mandatory Sinking Fund<br/>Redemption (June 1)</u> | <u>Principal<br/>Amounts<sup>(1)</sup></u> | <u>Serial Maturity or<br/>Mandatory Sinking Fund<br/>Redemption (June 1)</u> | <u>Principal<br/>Amounts<sup>(1)</sup></u> |
|--|--|--|--|
| 2015   | \$ 105,000                                 | 2025   | \$ 800,000 <sup>(2)</sup>                  |
| 2016   | 110,000                                    | 2026   | 835,000 <sup>(2)</sup>                     |
| 2017   | 570,000                                    | 2027   | 875,000 <sup>(2)</sup>                     |
| 2018   | 585,000                                    | 2028   | 915,000 <sup>(2)</sup>                     |
| 2019   | 610,000                                    | 2029   | 955,000 <sup>(2)</sup>                     |
| 2020   | 635,000                                    | 2030   | 1,000,000 <sup>(2)</sup>                   |
| 2021   | 670,000                                    | 2031   | 1,050,000 <sup>(2)</sup>                   |
| 2022   | 700,000                                    | 2032   | 1,100,000 <sup>(2)</sup>                   |
| 2023   | 730,000                                    | 2033   | 1,150,000 <sup>(2)</sup>                   |
| 2024   | 765,000                                    | 2034   | 1,200,000 <sup>(2)</sup>                   |

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the 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.

The County will deposit money, consistent with the Bond Ordinance (defined in the Preliminary Official Statement), and will retire the Bonds by purchase or redemption on or before June 1 of the years and in the amounts, if any, designated by the bidder to be mandatory sinking fund redemptions as provided for above.

### **Redemption of the Bonds**

*Optional Redemption.* The County reserves the right to redeem outstanding Bonds maturing on or after June 1, 2025, in whole or in part, at any time on or after June 1, 2024, at the price of par plus accrued interest, if any, to the date fixed for redemption.

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

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

*Selection of Bonds for Redemption.* If fewer than all of the Bonds subject to optional redemption are called for redemption, the County will choose the maturities to be redeemed. If fewer than all of the Bonds maturing on the same date are called for redemption, the Registrar will select for redemption such Bonds or portions thereof randomly, or in such other manner as the Registrar determines, except that, for so long as the Bonds are registered in the name of DTC or its nominee, DTC will select for redemption such Bonds or portions thereof in accordance with the Blanket Issuer Letter of Representations, dated May 1, 1995, from the County to DTC (the "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 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 Bonds cease to be in book-entry only form, unless waived by any registered owner of the Bonds to be redeemed, the County will cause notice of any intended redemption of Bonds to be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the registration books for the 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 Bond.

*Conditional Redemption; Rescission of Redemption.* Any optional redemption of Bonds may be subject to such conditions, including but not limited to the receipt of proceeds of refunding bonds, as the County may specify in the notice of redemption. The County may also rescind any notice of an optional redemption of Bonds by giving written notice of such rescission no later than the business day before the designated redemption date to all parties who were given notice of redemption in the same manner as such notice was given.

*Effect of Redemption.* Unless the County has rescinded a notice of redemption or a condition to the redemption has not been satisfied, the County will transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar, will be sufficient to redeem, on the redemption date, all the Bonds to be redeemed. From the redemption date, interest on each Bond to be redeemed will cease to accrue.

### **Purchase of Bonds**

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

## Security

The Bonds are general obligations of the County.

The County has irrevocably covenanted in the Bond Ordinance that, for as long as any of the Bonds are outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax within 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 Bonds as they become due. The County has irrevocably pledged its full faith, credit, and resources for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as they become due. The Bonds do not constitute a debt or indebtedness of the State of Washington or any political subdivision thereof other than the County.

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

## BIDDING INFORMATION AND AWARD

### Bidding Information

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate that the Bonds will bear. The interest rates bid must be in a multiple of 1/8 or 1/20 of 1%. No more than one rate of interest may be fixed for any one single maturity of the Bonds. Bidders must specify interest rates equal to or greater than 4.00% for each maturity of the Bonds maturing on or after June 1, 2025. Bids will be without condition and may only be submitted electronically via Parity.

No bid will be considered for the Bonds that is less than an amount equal to 106% of the par value of the Bonds nor more than an amount equal to 119% of the par value of the Bonds, or for less than the entire offering of the Bonds.

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

### Bidding Process

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

- (i) If any provision in this Official Notice of Sale conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments issued by public wire, will control.
- (ii) Bids may only be submitted via Parity. The bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting a bid timely and in compliance with the requirements of this Official Notice of Sale.
- (iii) The County has no duty or obligation to provide or assure access to Parity, and will not be responsible for the proper operation of 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 the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for the Bonds by giving notice communicated to Parity and I-Deal Prospectus on or before the day prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, will be considered an amendment to this Official Notice of Sale.

### **Good Faith Deposit**

The successful bidder for the Bonds is required to deliver a good faith deposit in the amount of \$150,000 by federal funds wire transfer to the Treasury Section of the Finance Division by no later than 90 minutes following the successful bidder's receipt of the verbal award. Wiring instructions will be provided to the successful bidder for the Bonds at the time of the verbal award.

The good faith deposit of the successful bidder for the Bonds will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Bonds on the delivery of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit for the Bonds may be invested for the sole benefit of the County.

If the Bonds are ready for delivery and the successful bidder fails to complete the purchase of the Bonds within 30 days following the acceptance of its bid, the good faith deposit will be forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

### **Insurance**

Bids for the Bonds will not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor will be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance will be paid by such bidder, unless otherwise paid. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued will not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

If the successful bidder purchases insurance for 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 present value (calculated using the same yield as the yield on the insured Bonds) of 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**

The Bonds will be sold to the bidder making a bid for the Bonds that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid. For the purpose of comparing bids only, each bid must state the true interest cost of the bid determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payment from the payment date to the date of the Bonds and to the price bid.

If there are two or more equal bids for the Bonds and those bids are the best bids received, the Finance Director will determine which bid will be presented to the County Council for its consideration. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process. If all bids for an offering are rejected, the Bonds may be readvertised for sale in the manner provided by law and as provided above.

### **Adjustment of Principal Amount and Bid Price After Bid Opening**

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed 10% of the principal amount of the Bonds following the opening of the bids. The County has also reserved the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by the greater of 15% of the par amount of that maturity or \$100,000.

The price bid by the successful bidder for the Bonds will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of the Bonds. In the event that the County elects to alter the size of the Bonds after the bid pursuant to this Official Notice of Sale, the underwriter's discount, expressed in dollars per thousand, will be held constant. The County will not be responsible in the event and to the extent that

any adjustment affects (i) the net compensation to be realized by the successful bidder, or (ii) the true interest cost of the winning bid or its ranking relative to other bids.

#### **Issue Price Information**

Upon award of the Bonds, the successful bidder for the Bonds will advise the County and Bond Counsel of the initial reoffering prices to the public of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder for the Bonds is required to furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the Initial Reoffering Price for each maturity of the Bonds;
- (ii) certifying that a *bona fide* initial public offering of the Bonds 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 Bonds would be the first price at which at least 10% of the par amount of such maturity would be sold to the public, excluding bond houses, brokers, and other intermediaries, including, without limitation, the successful bidder and any selling group of which the successful bidder is a part, directly or indirectly (the "Public"); and
- (iv) certifying that at least 10% of each maturity of the Bonds was in fact sold to the Public in the initial offering of the Bonds to the Public, except for specified maturities, if applicable.

#### **Delivery**

The County will deliver the Bonds (consisting of one certificate per maturity) to DTC in New York, New York, or to the Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing will occur within 30 days after the Sale Date. Settlement will be in federal funds available in Seattle, Washington, on the date of delivery of the Bonds (the "Date of Issue"). Delivery is expected to be June 24, 2014.

If, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in the Preliminary Official Statement, the successful bidder for the Bonds, at its option, may be relieved of its obligation to purchase the Bonds, and in that case the good faith deposit accompanying its bid will be returned without interest.

#### **Legal Matters**

The approving legal opinion of Hillis Clark Martin & Peterson P.S., Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness, or sufficiency of the Preliminary Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel relating to the undertaking of the County to provide ongoing disclosure pursuant to Securities and Exchange Commission ("SEC") Rule 15c2-12 ("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 to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

*The successful bidder for the Bonds is responsible for obtaining CUSIP numbers for the Bonds. The charge of the CUSIP Service Bureau will be paid by the successful bidder; however, all expenses of printing the CUSIP numbers on the Bonds will be paid by the County.*

## OTHER INFORMATION

### Ongoing Disclosure Undertaking

To assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the County will undertake, pursuant to a County Council motion, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement 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 through its designated representative not later than seven business days after the County’s acceptance of the purchaser’s bid, in sufficient quantities to permit the successful bidder to comply with Rule 15c2-12.

By submitting the successful proposal, the purchaser agrees:

- (i) to provide to the Finance Division, in writing, within 24 hours after the acceptance of the bid, pricing and other related information, including the Initial Reoffering Price of each maturity of the Bonds, necessary for completion of the final Official Statement;
- (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the County;
- (iii) to take any and all actions necessary to comply with applicable rules of the SEC and the Municipal Securities Rulemaking Board (“MSRB”) governing the offering, sale, and delivery of the Bonds to the ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases the Bonds; and
- (iv) to file the final Official Statement or cause it to be filed with the MSRB within one business day following its receipt from the County.

### Official Statement

At closing, the County will furnish a certificate of an official or officials of the County, stating that, to the best knowledge of such official(s) and relying on the opinions of Bond Counsel where appropriate, as of the date of the Official Statement and as of the Date of 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, The Bank of New York Mellon, or any entity providing bond insurance or other credit facility); and
- (ii) the descriptions and statements, including financial data, of or pertaining to other bodies and their activities contained in the Official Statement have been obtained from sources that the County believes to be reliable and the County has no reason to believe that they are untrue in any material respect.

DATED at Seattle, Washington, this 2nd day of June, 2014.

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





Upcoming Calendar Overview Result Excel

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



**King County**  
**\$15,360,000 Limited Tax General Obligation Bonds, 2014**  
**Series B (Federally Tax-Exempt)**

For the aggregate principal amount of \$15,360,000.00, we will pay you \$17,253,293.75, 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 % |
|---------------|-----------|----------|
| 06/01/2015    | 105M      | 2.0000   |
| 06/01/2016    | 110M      | 4.0000   |
| 06/01/2017    | 570M      | 4.0000   |
| 06/01/2018    | 585M      | 2.0000   |
| 06/01/2019    | 610M      | 5.0000   |
| 06/01/2020    | 635M      | 4.0000   |
| 06/01/2021    | 670M      | 5.0000   |
| 06/01/2022    | 700M      | 5.0000   |
| 06/01/2023    | 730M      | 5.0000   |
| 06/01/2024    | 765M      | 5.0000   |
| 06/01/2025    | 800M      | 5.0000   |
| 06/01/2026    | 835M      | 5.0000   |
| 06/01/2027    | 875M      | 5.0000   |
| 06/01/2028    | 915M      | 5.0000   |
| 06/01/2029    | 955M      | 4.0000   |
| 06/01/2030    | 1,000M    | 4.0000   |
| 06/01/2031    | 1,050M    | 4.0000   |
| 06/01/2032    | 1,100M    | 4.0000   |
| 06/01/2033    | 1,150M    | 4.0000   |
| 06/01/2034    | 1,200M    | 4.0000   |

Total Interest Cost: \$8,316,970.00  
 Premium: \$1,893,293.75  
 Net Interest Cost: \$6,423,676.25  
 TIC: 3.120903  
 Time Last Bid Received On:06/09/2014 9:29:31 PDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: J.P. Morgan Securities LLC, New York , NY  
 Contact: Kenneth Avila  
 Title: Analyst  
 Telephone:212-834-7155  
 Fax: 212-834-6743



ATTACHMENT C

Maturity Dates, Principal Amounts and Interest Rates

| <u>Maturity<br/>Date<br/>(June 1)</u> | <u>Principal<br/>Amount</u> | <u>Interest<br/>Rate</u> |
|---------------------------------------|-----------------------------|--------------------------|
| 2015                                  | \$ 105,000                  | 2.00%                    |
| 2016                                  | 110,000                     | 4.00                     |
| 2017                                  | 560,000                     | 4.00                     |
| 2018                                  | 580,000                     | 2.00                     |
| 2019                                  | 600,000                     | 5.00                     |
| 2020                                  | 630,000                     | 4.00                     |
| 2021                                  | 655,000                     | 5.00                     |
| 2022                                  | 695,000                     | 5.00                     |
| 2023                                  | 730,000                     | 5.00                     |
| 2024                                  | 765,000                     | 5.00                     |
| 2025                                  | 805,000                     | 5.00                     |
| 2026                                  | 845,000                     | 5.00                     |
| 2027                                  | 885,000                     | 5.00                     |
| 2028                                  | 935,000                     | 5.00                     |
| 2029                                  | 975,000                     | 4.00                     |
| 2030                                  | 1,015,000                   | 4.00                     |
| 2031                                  | 1,060,000                   | 4.00                     |
| 2032                                  | 1,100,000                   | 4.00                     |
| 2033                                  | 1,150,000                   | 4.00                     |
| 2034                                  | 1,195,000                   | 4.00                     |

Purchase Price

\$17,292,266.76