

# ATTACHMENT A

## OFFICIAL NOTICE OF SALE

\$74,025,000\*

KING COUNTY, WASHINGTON

### LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2012

Electronic bids for the Limited Tax General Obligation Bond Anticipation Notes, 2012 (the "Notes"), of King County, Washington (the "County"), will be received via BiDCOMP/PARITY ("Parity") in the manner described below on

**FEBRUARY 13, 2012, AT 9:00 A.M., PACIFIC TIME**

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

The Notes will be sold on an all-or-none basis. Bids for the Notes 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.

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

- (i) If any provision in this Official Notice of Sale conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments issued by public wire, will control.
- (ii) Bids may only be submitted via Parity. The bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting a bid timely and in compliance with the requirements of this Official Notice of Sale.
- (iii) The County has no duty or obligation to provide or assure access to Parity, and will not be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of Parity.
- (iv) The County is using Parity as a communication mechanism, and not as an agent of the County.
- (v) Upon acceptance of a bid by the County, this Official Notice of Sale and the information that is electronically transmitted through Parity will form a contract between the bidder and the County.

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

A copy of the County's Preliminary Official Statement (with the Official Notice of Sale), dated February 3, 2012, and further information regarding the details of the Notes 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 County's financial advisor (the "Financial Advisor"). See "Contact Information."

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\* Preliminary, subject to change.

## Contact Information

Finance Division	Nigel Lewis King County (206) 296-1168 <i>nigel.lewis@kingcounty.gov</i>
Financial Advisor	Rob Shelley Seattle-Northwest Securities Corporation Office: (206) 628-2879; Day of Sale: (206) 601-2249 <i>rshelley@snwsc.com</i>
Bond Counsel	Hugh Spitzer Foster Pepper PLLC (206) 447-8965 <i>spith@foster.com</i>

## Description of the Notes

The Notes will be dated the date of their initial delivery. Interest on the Notes will be payable only at maturity. The Notes are not subject to redemption prior to maturity.

The Notes are issuable only as fully registered notes and when issued will be registered in the name of Cede & Co. as Note owner and nominee for DTC. DTC will act as securities depository for the Notes. Purchases of the Notes 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 Notes purchased. The principal of and interest on the Notes 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 Notes.

## Security

The Notes are general obligations of the County. The County has irrevocably covenanted that, for as long as any of the Notes 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 bond proceeds and all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Notes 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 the prompt payment of the principal and interest on the Notes as the same become due.

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

## Bidding Information

Bidders are invited to submit bids for the purchase of the Notes fixing the interest rate that the Notes will bear. The interest rates bid must be in a multiple of 1/8 or 1/20 of 1%. Bids will be without condition and may only be submitted electronically via Parity.

No bid will be considered for the Notes that is less than an amount equal to 99.5% of the par value of the Notes nor more than an amount equal to 105% of the par value of the Notes, or for less than the entire offering of the Notes.

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.

#### **Good Faith Deposit**

The successful bidder for the Notes is required to deliver a good faith deposit in the amount of \$740,000 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 Notes at the time of the verbal award.

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

If the Notes are ready for delivery and the successful bidder fails to complete the purchase of the Notes 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 Notes will not be conditioned upon obtaining insurance or any other credit enhancement. If the Notes 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 Notes resulting by reason of such insurance, unless otherwise paid, will be paid by such bidder. Any failure of the Notes 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 Notes.

#### **Award**

The Notes will be sold to the bidder making a bid for the Notes that conforms to the terms of the offering and that, on the basis of the lowest net interest cost, is the best bid. For the purpose of comparing bids only, each bid must state the net interest cost of the bid, which will be equal to the total interest cost plus any premium and minus any discount, divided by the bond year dollars.

If there are two or more equal bids for the Notes and those bids are the best bids received, the Finance Director will determine by lot which bid will be presented to the County Council for its consideration. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process. If all bids for an offering are rejected, the Notes 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 Notes by an amount not to exceed 5% of the principal amount of the Notes following the opening of the bids.

The price bid by the successful bidder for the Notes will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount. In the event that the County elects to alter the size of the Notes 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 net interest cost of the winning bid or its ranking relative to other bids.

#### **Issue Price Information**

Upon award of the Notes, the successful bidder for the Notes will advise the County and Bond Counsel of the initial reoffering price to the public of the Notes (the "Initial Reoffering Price"). Simultaneously with or

before delivery of the Notes, the successful bidder for the Notes 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 the Notes;
- (ii) certifying that a *bona fide* initial public offering of the Notes ("Public Offering") was made on the Sale Date,
- (iii) certifying facts establishing the successful bidder's reasonable expectations, as of the Sale Date, that the Initial Reoffering Price for the Notes would be the first price at which at least 10% of the par amount of the Notes 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 the par amount of the Notes was in fact sold to the Public in the Initial Offering.

### Delivery

The County will deliver the Notes (consisting of one certificate) to DTC in New York, New York, or to the Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing will occur within 30 days after the Sale Date. Settlement will be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be March 1, 2012.

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

The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Notes. 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 Notes, 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 (the "Rule"). A no-litigation certificate will be included in the closing papers of the Notes.

### CUSIP Number

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

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

### Ongoing Disclosure Undertaking

To assist bidders in complying with paragraph (b)(5) of the Rule, the County will undertake, pursuant to the Sale 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 and will also be set forth in the final Official Statement.

### Preliminary Official Statement

The Preliminary Official Statement is in a form that the County expects to deem final for the purpose of paragraph (b)(1) of the Rule, but is subject to revision, amendment, and completion in a final Official Statement, which the County will deliver, at the County's expense, to the purchaser through its designated

