

OFFICIAL NOTICE OF SALE

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS

\$5,705,000*

2011, SERIES B

\$15,555,000*

2011, SERIES C (TAXABLE)

Separate electronic bids for the Limited Tax General Obligation Bonds, 2011, Series B (the "Series B Bonds"), and the Limited Tax General Obligation Bonds, 2011, Series C (Taxable) (the "Series C Bonds"), of King County, Washington (the "County"), will be received via BiDCOMP/PARITY ("Parity") in the manner described below on

NOVEMBER 7, 2011, AT

SERIES B BONDS: 9:00 A.M., PACIFIC TIME,

SERIES C BONDS: 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 of the King County Department of Executive Services (the "Finance Division") 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 either series of the Bonds, it will be awarded to the successful bidder of such series and its terms will be approved by the County Council at such meeting.

The Series B Bonds and the Series C Bonds are collectively referred to in this Official Notice of Sale 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 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 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.

* Preliminary, subject to change.

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, 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 October 28, 2011, and further information regarding the details of the Bonds may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at www.i-dealprospectus.com, or upon request to the King County Finance and Business Operations Division (the "Division"). See "Contact Information."

Contact Information

Finance Division	Nigel Lewis King County (206) 296-1168 nigel.lewis@kingcounty.gov
Financial Advisor	Rob Shelley Seattle-Northwest Securities Corporation Office phone: (206) 628-2879; Day of sale phone: (206) 601-2249 rshelley@snwsc.com
Bond Counsel	Dan Gottlieb Gottlieb Fisher PLLC (206) 654-1999 dan@goandfish.com

Description of the Bonds

The Bonds will be dated the date of their initial delivery. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2012, to the maturity or prior redemption 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 years and amounts set forth on the inside cover of this 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 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 in New York, New York, currently The Bank of New York Mellon (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

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

SERIES B BONDS

<u>Serial Maturity or Mandatory Sinking Fund Redemption</u>	<u>Principal Amounts</u>
2017	\$ 735,000
2018	2,875,000
2019	2,095,000

SERIES C BONDS

<u>Serial Maturity or Mandatory Sinking Fund Redemption</u>	<u>Principal Amounts</u>
2012	\$ 2,655,000
2013	2,670,000
2014	2,690,000
2015	2,715,000
2016	2,755,000
2017	2,070,000

The County will deposit certain money as provided in the Bond Ordinance and will retire the 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 mandatory sinking fund redemptions as provided for above.

Redemption of the Bonds

The Bonds are not subject to redemption at the option of the County prior to maturity; however, the Bonds may be subject to mandatory sinking fund redemption if the successful bidder for the Bonds specifies term bonds.

Security

The Bonds are general obligations of the County. The County has irrevocably covenanted that, for as long as any of the 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 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 Bonds as the same will 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 Bonds 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 separate bids for the purchase of either or both series of the Bonds fixing the interest rate that the Bonds of each series 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 maturity of the Bonds. Bids will be without condition and may only be submitted electronically via Parity.

No bid will be considered for the Series B Bonds that is less than an amount equal to 100% of the par value of the Series B Bonds nor more than an amount equal to 112% of the par value of the Series B Bonds, or for less than the entire offering of the Series B 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 Series C Bonds that is less than an amount equal to 98% of the par value of the Series C Bonds nor more than an amount equal to 102% of the par value of the Series C Bonds, or for less than the entire offering of the 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.

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

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 After Award

The County reserves the right to increase or decrease the total par amount of the Series B Bonds by 10% of the total par amount of the Series B Bonds, and to increase or decrease the total par amount of the Series C Bonds by 10% of the total par amount of the Series C Bonds 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 Bonds by up to \$700,000.

The price bid by the successful bidder for each series of the Bonds will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of such series 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 for the Series B Bonds is required to deliver a good faith deposit in the amount of \$60,000 and the successful bidder for the Series C Bonds is required to deliver a good faith deposit in the amount of \$150,000, in each case by federal funds wire transfer to the Treasury Section of the Finance Division by no later than 90 minutes following the successful bidder's receipt of the verbal award. Wiring instructions will be provided to the successful bidder for each series of the Bonds at the time of the verbal award.

The good faith deposit of the successful bidder 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 40 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, unless otherwise paid, will be paid by such bidder. 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.

Award

Each series of the Bonds will be sold to the bidder making a bid for such series of the Bonds that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid. For the purpose of comparing bids only, the interest rate being controlling, 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 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 will 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 will furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the applicable Initial Reoffering Price,
- (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 10%) of such series of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) stating the price at which any portion of such series of the Bonds that remains unsold at the date of closing would have been sold on the date the Bonds were awarded, and
- (v) stating the offering price of each portion of such series of the Bonds sold to institutional or other investors at discount.

Delivery

The County will deliver the Bonds (consisting of one word-processed certificate for 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 will occur within 40 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 December 1, 2011.

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

The approving legal opinions 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 Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"). A no-litigation certificate will be included in the closing papers of the Bonds.

Failure by the County to deliver either series of Bonds, for any reason, will not constitute cause for failure or refusal by the successful bidder to accept delivery of the other series of Bonds.

CUSIP Numbers

It is anticipated that a CUSIP identification number will be printed on each series of 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 successful bidder for each series of the Bonds is responsible for obtaining a CUSIP number for such series of the Bonds. The charge of the CUSIP Service Bureau will be paid by each successful bidder; however, all expenses for printing the CUSIP number on the Bonds 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 this 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 expense of the County, to each 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 each successful bidder to comply with the Rule.

By submitting the successful proposal, each purchaser's designated senior representative 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 applicable series of the Bonds, necessary for completion of the final Official Statement;
- (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the County;
- (iii) to take any and all actions necessary to comply with applicable rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB") governing the offering, sale and delivery of the Bonds to 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 delivery 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, reserve 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 28th day of October, 2011.

/s/
Clerk of the Metropolitan King County Council