

ATTACHMENT A

OFFICIAL NOTICE OF SALE

KING COUNTY, WASHINGTON

\$50,000,000

**JUNIOR LIEN SEWER REVENUE BONDS
SERIES 2015A**

\$50,000,000

**JUNIOR LIEN SEWER REVENUE BONDS
SERIES 2015B**

Separate electronic bids for the King County, Washington, Junior Lien Sewer Revenue Bonds, Series 2015A (the “2015A Bonds”), and Junior Lien Sewer Revenue Bonds, Series 2015B (the “2015B Bonds”) (together, the “Bonds”), of King County, Washington (the “County”), will be received via the PARITY Electronic Bidding System (“Parity”) in the manner described below on

NOVEMBER 16, 2015, AT 9:00 A.M., PACIFIC TIME,

or at such later date or time as may be established by the Director of the Finance and Business Operations Division of the King County Department of Executive Services (the “Finance Director”) and communicated through Parity and i-Deal Prospectus, as described under “Modification, Postponement, Cancellation.”

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, the Bonds of such series will be awarded to the successful bidder for such series and the terms of the bid will be approved by the County Council at such meeting.

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 received after the time for receiving bids specified above will be considered. For further information about Parity, potential bidders may contact Parity at (212) 849-5021.

Modification, Postponement, Cancellation. 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 November 13, 2015, except when infeasible due to emergency or unforeseen events or circumstances. As an accommodation to bidders, telephone, facsimile, or electronic notice of such modification, postponement, or cancellation will be given to any bidder requesting such notice from the County’s financial advisor (the “Financial Advisor”) at the address and phone number provided under “Contact Information” below. Failure of any bidder to receive such notice will not affect the legality of the sale.

A copy of the County’s Preliminary Official Statement (with this Official Notice of Sale), dated November 6, 2015, 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 Finance and Business Operations Division or the Financial Advisor. See “Contact Information.”

Contact Information

Finance and Business Operations Division	Nigel Lewis King County (206) 296-1168 <i>nigel.lewis@kingcounty.gov</i>
Financial Advisor	Rob Shelley Piper Jaffray/Seattle-Northwest Division Office: (206) 628-2879 Day of Sale: (206) 601-2249 <i>robert.e.shelley@pjc.com</i>
Bond Counsel	Marc Greenough Foster Pepper PLLC (206) 447-7888 <i>greem@foster.com</i>

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of their initial delivery. The Bonds of each series will be issued initially as Long-Term Rate Bonds and will bear interest from the Closing Date, payable on November 16, 2016 (the “Long-Term Rate Mandatory Purchase Date”), at the rates shown on the cover page of the Official Statement, computed on the basis of a 360-day year of twelve 30-day months. The Initial Period will commence on the Closing Date and end on the Long-Term Rate Mandatory Purchase Date.

The Bonds of each series will be fully registered as to both principal and interest and will be in the denomination of \$5,000 or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”). Each Bond registered in the name of DTC or its nominee will be held fully immobilized in book-entry only form by DTC in accordance with the provisions of the Letter of Representations. Purchasers will not receive certificates representing their interest in the Bonds purchased. For so long as the Bonds are registered in the name of DTC or its nominee, DTC will be deemed to be the Registered Owner, and all references to Registered Owners will mean DTC and not the Beneficial Owners. The principal of and interest on the Bonds are payable by the fiscal agent for the State of Washington (the “Registrar”), currently U.S. Bank National Association, to DTC, which in turn is obligated to remit such principal and interest to DTC participants for subsequent disbursement to Beneficial Owners of the Bonds.

Mandatory Tender of the Bonds

The Bonds are subject to mandatory tender for purchase on the Long-Term Rate Mandatory Purchase Date. ***No Liquidity Facility secures the payment of the Purchase Price of the Bonds on the Long-Term Rate Mandatory Purchase Date. The failure of the County to pay the Purchase Price of the Bonds as and when due on the Long-Term Rate Mandatory Purchase Date constitutes a default.***

Conversion of the Interest Rate Mode

Upon satisfaction of the conditions described in the Preliminary Official Statement, all (but not less than all) of the Bonds of a series may be converted on the Long-Term Rate Mandatory Purchase Date to bear interest at the Daily Rate, the Weekly Rate, an Index Floating Rate, the Short-Term Rate, another Long-Term Rate, or the Fixed Rate.

No Redemption of the Bonds

The Bonds are not subject to redemption prior to the Long-Term Rate Mandatory Purchase Date.

Open Market Purchase of the Bonds

The County has reserved the right and option to purchase any or all of the Bonds in the open market or offered to the County at any time at any price acceptable to the County plus accrued interest to the date of purchase.

Security

The Bonds are obligations only of the Junior Lien Bond Fund and are secured by a lien and charge on Revenue of the System junior, subordinate, and inferior to Operating and Maintenance Expenses; junior, subordinate, and inferior to the lien and charge on such Revenue of the System for the payments required to be made into the Parity Bond Fund and the accounts therein; junior, subordinate, and inferior to the lien and charge on such Revenue of the System for the payments required to be made into the Parity Lien Obligation Fund and the accounts therein; equal to the lien and charge on such Revenue of the System to pay and secure the payment of the outstanding Junior Lien Obligations and any Additional Junior Lien Obligations; and superior to all other liens and charges of any kind or nature. The Bonds are not obligations of the State of Washington (the "State") or any political subdivision thereof other than the County. Neither the full faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of the Bonds. Payment of the Bonds is not secured by any debt service reserve.

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

BIDDING INFORMATION AND AWARD

Bidding Information

Bidders are invited to submit bids for the purchase of either or both series of the Bonds fixing the interest rate that the Bonds will bear for the Initial Period. The interest rate bid for each series of the Bonds must be in a multiple of 1/8 or 1/20 of 1%. No more than one rate of interest may be fixed for a series of the Bonds. In addition, bidders must specify interest rates no greater than 2.00% for the Bonds of each series. Bids must be without condition and may be submitted only electronically via Parity.

No bid will be considered for the Bonds of a series that is less than an amount equal to 100% of the par value of the Bonds of that series, or for less than the entire offering of the Bonds of that series.

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

Bidding Process

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

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

If all bids for either 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 as described under “Modification, Postponement, Cancellation” on or before the day prior to such new date and time.

Good Faith Deposit

The successful bidder for each series of the Bonds is required to deliver a good faith deposit in the amount of \$500,000 by federal funds wire transfer to the Treasury Section of the Finance and Business Operations Division by no later than 90 minutes following the successful bidder’s receipt of the verbal award. Wiring instructions will be provided to the successful bidder for each series of the Bonds at the time of the verbal award.

The good faith deposit of the successful bidder for each series of the Bonds will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of such series of the Bonds on the delivery of such series of the Bonds to the successful bidder. Pending delivery of each series of the Bonds, the good faith deposit for such 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 for the Bonds 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 as liquidated damages and not as a

penalty, and, in that event, the County Council may accept the next best bid or call for additional bids.

Insurance

Bids for the Bonds may not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds of either series 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 such series 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 successful bidder of its contractual obligations arising from the acceptance of its bid for such series of the Bonds.

If the successful bidder for a series of the Bonds 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 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 insured Bonds at interest rates on the insured Bonds issued with and without the insurance on the insured 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 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 to the Long-Term Rate Mandatory Purchase Date plus any premium and minus any discount, divided by the bond year dollars.

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

Issue Price Information

Upon award of the Bonds, the successful bidder for each series of the Bonds must advise the County and Bond Counsel of the initial reoffering price to the public of such series of the Bonds (the "Initial Reoffering Price"). Simultaneously with or before delivery of each series of the Bonds, the successful bidder for each series of 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 such series of the Bonds;
- (ii) certifying that a *bona fide* initial public offering of such series 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 such series of the Bonds would be the first

price at which at least 10% of the par amount of such series of the Bonds would be sold to the public, excluding bond houses, brokers, and other intermediaries, including, without limitation, the successful bidder and any selling group of which the successful bidder is a part, directly or indirectly (the “Public”); and

- (iv) certifying that the Initial Reoffering Price for such series of the Bonds was in fact the first price at which at least 10% of the principal amount of such series of the Bonds was sold to the Public.

Delivery

The County will deliver the Bonds (consisting of one certificate for each series of the Bonds) 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 November 24, 2015.

If, prior to the delivery of a series 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, 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.

Legal Matters

The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, will be provided to the Purchaser of each series of the Bonds 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 successful bidder 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 the CUSIP number for such series of the Bonds. The charge of the CUSIP Service Bureau will be paid by each successful bidder.

OTHER INFORMATION

Ongoing Disclosure Undertaking

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

By submitting the successful bid, such Purchaser agrees:

- (i) to provide to the Finance and Business Operations Division, in writing, within 24 hours after the acceptance of the bid, pricing and other related information, including the Initial Reoffering Price of such 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 such series of the Bonds to the ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases such series of 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 opinion 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, U.S. Bank National Association, 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 6th day of November, 2015.

By: _____ /s/ Ken Guy

Ken Guy
Director of Finance and Business Operations Division
Department of Executive Services