



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

December 11, 2012

Motion 13786

Proposed No. 2012-0476.2

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, 2012, Series E (Federally Tax-Exempt), in the
4 aggregate principal amount of \$25,405,000, allocating
5 \$6,020,000 of the county's QECB volume cap to, and
6 accepting a bid for the purchase of the county's Limited
7 Tax General Obligation Bonds, 2012, Series F (Federally
8 Taxable Qualified Energy Conservation Bonds), in the
9 aggregate principal amount of \$6,020,000, and establishing
10 certain terms of such bonds in accordance with Ordinance
11 17452.

12 WHEREAS, pursuant to Ordinance 17452 (the "Ordinance"), the county council
13 authorized the issuance of one or more series of its limited tax general obligation bonds
14 in an outstanding aggregate principal amount not to exceed \$37,200,000 to provide long-
15 term financing for all or part of the capital costs of the Southeast Electoral District Court
16 Relocation Project, the South Plant Raw Sewage Pump Replacement Project, the KCCF
17 HVAC Project, the IT Business Empowerment Project, the Mainframe Replacement
18 Project and the Telephony System Project, as defined and described in the Ordinance,
19 and

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

24 WHEREAS, the Finance Director has determined that a series of such bonds, to
25 be designated as the county's Limited Tax General Obligation Bonds, 2012, Series E
26 (Federally Tax-Exempt), in the aggregate principal amount of \$25,405,000 (the "2012E
27 Bonds"), shall be issued as Tax-Exempt Obligations and sold to provide long-term
28 financing for all or part of the capital costs of the Southeast Electoral District Court
29 Relocation Project, the IT Business Empowerment Project, the Mainframe Replacement
30 Project and the Telephony System Project, as provided herein, and

31 WHEREAS, the Finance Director has determined that a second series of such
32 bonds, to be designated as the county's Limited Tax General Obligation Bonds, 2012,
33 Series F (Federally Taxable Qualified Energy Conservation Bonds), in the aggregate
34 principal amount of \$6,020,000 (the "2012F Bonds" and, together with the 2012E Bonds,
35 the "Bonds"), shall be issued as QECBs and sold to provide long-term financing for all or
36 part of the capital costs of the South Plant Raw Sewage Pump Replacement Project and
37 the KCCF HVAC Project, as provided herein, and

38 WHEREAS, pursuant to Section 54D of the Internal Revenue Code of 1986, as
39 amended, and Internal Revenue Service Notice 2009-29, the county was allocated, by
40 formula, \$12,033,825 of volume cap for QECBs ("QECB Volume Cap"), of which
41 \$5,825,000 has previously been allocated, and \$6,208,825 remains to be allocated, and

42 WHEREAS, currently, none of the bonds authorized by the Ordinance are
43 outstanding, and

44 WHEREAS, a preliminary official statement dated December 3, 2012, has been
45 prepared for the public sale of the Bonds, the official notice of such sale dated December
46 3, 2012 (the "Notice"), has been published, and bids have been received in accordance
47 with the Notice, and

48 WHEREAS, the attached bid of Fidelity Capital Markets, to purchase the 2012E
49 Bonds is the best bid received for the 2012E Bonds, and it is in the best interest of the
50 county that the 2012E Bonds be sold to Fidelity Capital Markets, on the terms set forth in
51 the Notice, the attached bid, the Ordinance and this motion,

52 WHEREAS, the attached bid of BMO Capital Markets, to purchase the 2012F
53 Bonds is the best bid received for the 2012F Bonds, and it is in the best interest of the
54 county that the 2012F Bonds be sold to BMO Capital Markets, on the terms set forth in
55 the Notice, the attached bid, the Ordinance and this motion;

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

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

59 B. 2012E Bonds.

60 1. Ratification of Terms, Acceptance of Bids, and Authorization of Sale of
61 2012E Bonds. The issuance of the 2012E Bonds, designated as the county's Limited Tax
62 General Obligation Bonds, 2012, Series E (Federally Tax-Exempt), in the aggregate
63 principal amount of \$25,405,000, to provide long-term financing for all or part of the
64 capital costs of the Southeast Electoral District Court Relocation Project, the IT Business

65 Empowerment Project, the Mainframe Replacement Project and the Telephony System
66 Project, and the other terms and conditions thereof set forth in the Notice attached hereto
67 as Attachment A, are hereby ratified and confirmed. The offer to purchase the 2012E
68 Bonds, as set forth in the bid of Fidelity Capital Markets, attached hereto as Attachment
69 B; provided, that such bid has been adjusted with respect to the aggregate principal
70 amount and principal amount per maturity consistent with the terms of the Notice, such
71 that the 2012E Bonds will mature on the dates and in the amounts, shall bear interest at
72 the rates, and shall be sold at the purchase price specified in Attachment C. The 2012E
73 Bonds shall be dated their date of issue and delivery, and shall be subject to optional
74 redemption as set forth in the Notice. The 2012E Bonds shall be issued as Tax-Exempt
75 Obligations, as defined in the Ordinance. In all other respects, the 2012E Bonds shall
76 conform to the terms and conditions specified in the Notice and the Ordinance.

77 2. Application of 2012E Bond Proceeds. The proceeds, including net original
78 issue premium but net of underwriter's discount, of the 2012E Bonds received by the
79 county shall be deposited as follows:

80 (a) The sum of \$3,215,296.81 shall be deposited into the 2012 G.O. Bonds
81 Building Repair and Replacement Subfund to provide long-term financing for all or part
82 of the capital costs (including related 2012E Bond issuance costs) of the Southeast
83 Electoral District Court Relocation Project; and

84 (b) The sum of \$25,994,037.32 shall be deposited into the 2012 G.O. Bonds
85 KCIT Subfund to provide long-term financing for all or part of the capital costs
86 (including related 2012E Bond issuance costs) of the IT Business Empowerment Project,
87 the Mainframe Replacement Project and the Telephony System Project.

88 C. 2012F Bonds.

89 1. Ratification of Terms, Acceptance of Bids, and Authorization of Sale of
90 2012F Bonds. The issuance of the 2012F Bonds, designated as the county's Limited Tax
91 General Obligation Bonds, 2012, Series F (Federally Taxable Qualified Energy
92 Conservation Bonds), in the aggregate principal amount of \$6,020,000, to provide long-
93 term financing for all or part of the capital costs of the South Plant Raw Sewage Pump
94 Replacement Project and the KCCF HVAC Project, and the other terms and conditions
95 thereof set forth in the Notice attached hereto as Attachment A, are hereby ratified and
96 confirmed. The offer to purchase the 2012F Bonds, as set forth in the bid of BMO
97 Capital Markets, attached hereto as Attachment D; provided, that such bid has been
98 adjusted with respect to the aggregate principal amount and principal amount per
99 maturity consistent with the terms of the Notice, such that the 2012F Bonds will mature
100 on the date and in the amount, shall bear interest at the rate, and shall be sold at the
101 purchase price specified in Attachment E. The 2012F Bonds shall be dated their date of
102 issue and delivery, and shall be subject to optional redemption as set forth in the Notice.
103 The 2012F Bonds shall be issued as QECCBs, as defined in the Ordinance, and \$6,020,000
104 of the county's remaining QECCB Volume Cap is hereby allocated to the 2012F Bonds. In
105 all other respects, the 2012F Bonds shall conform to the terms and conditions specified in
106 the Notice and the Ordinance.

107 2. Application of 2012F Bond Proceeds. The proceeds, including original issue
108 premium but net of underwriter's discount, of the 2012F Bonds received by the county
109 shall be deposited as follows:

110 (a) The sum of \$3,014,906.30 shall be deposited into the 2012 G.O. Bonds
111 Water Quality Construction Subfund to provide long-term financing for all or part of the
112 capital costs (including related 2012F Bond issuance costs) of the South Plant Raw
113 Sewage Pump Replacement Project; and

114 (b) The sum of \$3,014,906.30 shall be deposited into the 2012 G.O. Bonds
115 MMR Subfund to provide long-term financing for all or part of the capital costs
116 (including related 2012F Bond issuance costs) of the KCCF HVAC Project.

117 D. Undertaking to Provide Ongoing Disclosure.

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

122 2. Financial Statements/Operating Data. The county agrees to provide or cause
123 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the
124 following annual financial information and operating data for the prior fiscal year
125 (commencing in 2013 for the fiscal year ended December 31, 2012):

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

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

- 133 (c) a summary of budgeted General Fund revenues and appropriations;
134 (d) a summary of *ad valorem* property tax levy rates per \$1,000 of assessed
135 value and delinquency rates;
136 (e) a summary of outstanding tax-supported indebtedness of the county; and
137 (f) a schedule of the aggregate annual debt service on tax-supported
138 indebtedness of the county.

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

141 Such annual information and operating data described above shall be provided on
142 or before the end of seven months after the end of the county's fiscal year. The county's
143 fiscal year currently ends on December 31. The county may adjust such fiscal year by
144 providing written notice of the change of fiscal year to the MSRB. In lieu of providing
145 such annual financial information and operating data, the county may make specific
146 cross-reference to other documents available to the public on the MSRB's internet web
147 site or filed with the SEC.

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

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

- 155 (a) principal and interest payment delinquencies;

- 156 (b) non-payment related defaults, if material;
- 157 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 158 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 159 (e) substitution of credit or liquidity providers, or their failure to perform;
- 160 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
- 161 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
- 162 5701-TEB) or other material notices or determinations with respect to the tax status of the
- 163 Bonds, or other material events affecting the tax status of the Bonds;
- 164 (g) modifications to rights of Bondholders, if material;
- 165 (h) Bond calls, if material, and tender offers;
- 166 (i) defeasances;
- 167 (j) release, substitution or sale of property securing repayment of the Bonds, if
- 168 material;
- 169 (k) rating changes;
- 170 (l) bankruptcy, insolvency, receivership, or similar event of the county;
- 171 (m) the consummation of a merger, consolidation or acquisition involving the
- 172 county or the sale of all or substantially all of the assets of the county, other than in the
- 173 ordinary course of business, the entry into a definitive agreement to undertake such an
- 174 action or the termination of a definitive agreement relating to any such actions, other than
- 175 pursuant to its terms, if material; and
- 176 (n) appointment of a successor or additional trustee or the change of name of a
- 177 trustee, if material.

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

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

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

190 6. Termination/Modification. The county's obligations to provide annual
191 financial information and notices of specified events shall terminate upon the legal
192 defeasance, prior redemption or payment in full of all of the Bonds. The Undertaking, or
193 any provision hereof, shall be null and void if the county (i) obtains an opinion of
194 nationally recognized bond counsel to the effect that those portions of the rule which
195 require the Undertaking, or any such provision, are invalid, have been repealed
196 retroactively or otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such
197 opinion and the cancellation of the Undertaking.

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

201 In the event of any amendment or waiver of a provision of the Undertaking, the
202 county shall describe such amendment in the next annual report, and shall include, as
203 applicable, a narrative explanation of the reason for the amendment or waiver and its
204 impact on the type (or in the case of a change of accounting principles, on the
205 presentation) of financial information or operating data being presented by the county. In
206 addition, if the amendment relates to the accounting principles to be followed in
207 preparing financial statements, (i) notice of such change shall be given in the same
208 manner as for a specified event under subsection 3, and (ii) the annual report for the year
209 in which the change is made should present a comparison (in narrative form and also, if
210 feasible, in quantitative form) between the financial statements as prepared on the basis
211 of the new accounting principles and those prepared on the basis of the former accounting
212 principles.

213 7. Bond Owners' Remedies Under the Undertaking. The right of any Bond
214 owner or beneficial owner of Bonds to enforce the provisions of the Undertaking shall be
215 limited to a right to obtain specific enforcement of the county's obligations hereunder,
216 and any failure by the county to comply with the provisions of the Undertaking shall not
217 be an event of default with respect to the Bonds. For purposes of the Undertaking,
218 "beneficial owner" means any person who has the power, directly or indirectly, to vote or
219 consent with respect to, or to dispose of ownership of, any Bonds, including persons
220 holding Bonds through nominees or depositories.

221 E. Further Authority. The Finance Director and other proper county officials,
222 their agents, and representatives are hereby authorized and directed to do everything
223 necessary for the prompt issuance and delivery of the Bonds, for the preparation,

224 execution and delivery of the final official statement for the sale of the Bonds and
225 appropriate certification of the allocation of a portion of the county's remaining QECCB
226 Volume Cap to the 2012F Bonds, and for the proper use and application of the proceeds
227 of such sale.

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

233 deemed separable from the remaining covenants and agreements of this motion and shall
234 in no way affect the validity of the other provisions of this motion or of the Bonds.
235

Motion 13786 was introduced on 12/10/2012 and passed as amended by the Metropolitan King County Council on 12/10/2012, by the following vote:

Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Dunn and Mr. McDermott
No: 0
Excused: 1 - Mr. Ferguson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Official Notice of Sale, B. Fidelity Capital Markets - Boston, MA's Bid, C. 2012E Bond Maturity Dates, Principal Amounts and Interest Rates, D. BMO Capital Markets - Chicago, IL's Bid, E. 2012F Bond Maturity Date, Principal Amount and Interest Rate

ATTACHMENT A

OFFICIAL NOTICE OF SALE

KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS\$25,170,000*
2012, SERIES E
(FEDERALLY TAX-EXEMPT)\$6,060,000*
2012, SERIES F (FEDERALLY TAXABLE
QUALIFIED ENERGY CONSERVATION BONDS)

Electronic bids for the Limited Tax General Obligation Bonds, 2012, Series E (Federally Tax-Exempt) (the "2012E Bonds"), and the Limited Tax General Obligation Bonds, 2012, Series F (Federally Taxable Qualified Energy Conservation Bonds) (the "2012F Bonds"), of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

DECEMBER 10, 2012, AT

2012E BONDS: 9:00 A.M., PACIFIC TIME

2012F 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 (the "Finance Division") of the King County Department of Executive Services and communicated through TM3, the Bond Buyer Wire, or the Bloomberg News Network (the "News Services") not less than 18 hours prior to the time and date that the bids are to be received for the purchase of the Bonds (the "Sale Date"). (Together, the 2012E Bonds and the 2012F Bonds are referred to in this Official Notice of Sale as 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 for such series and its terms 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 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. See "Bidding Information and Award."

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 announced through the News Services not less than 18 hours prior to the Sale Date, 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 Bond 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 the Official Notice of Sale), dated November 30, 2012, 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 Division or the Financial Advisor. See "Contact Information."

* Preliminary, subject to change.

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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	Dan Gottlieb Gottlieb Fisher PLLC (206) 654-1999 <i>dan@goandfish.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 June 1, 2013, 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 page i 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 The Depository Trust Company, New York, New York ("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.

Election of Maturities—2012E Bonds

The bidder for the 2012E Bonds will designate whether the principal amounts of the 2012E 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 2012E Bonds maturing in the years specified by the bidder ("2012E Term Bonds").

<u>Serial Maturity or Mandatory Sinking Fund Redemption (December 1)</u>	<u>Principal Amounts*</u>	<u>Serial Maturity or Mandatory Sinking Fund Redemption (December 1)</u>	<u>Principal Amounts*</u>
2013	\$ 1,000,000	2021	\$ 180,000
2014	1,005,000	2022	190,000
2015	3,175,000	2023	195,000
2016	4,775,000	2024	205,000
2017	4,990,000	2025	215,000
2018	4,210,000	2026	225,000
2019	4,395,000	2027	235,000
2020	175,000		

* Preliminary, subject to change.

The County will deposit money, consistent with the Bond Ordinance, and will retire the 2012E 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.

Maturity—2012F Bonds

The 2012F Bonds will mature on December 1, 2022.

Redemption of the 2012E Bonds

Optional Redemption. The County reserves the right to redeem outstanding 2012E Bonds maturing on or after December 1, 2023, in whole or in part, at any time on or after December 1, 2022, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Sinking Fund Redemption of 2012E Term Bonds. If not previously redeemed as described above or purchased under the provisions described below, the 2012E 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 December 1 in the years and amounts specified by the successful bidder.

If the County redeems 2012E Term Bonds under the optional redemption provisions described above or purchases or defeases 2012E Term Bonds, the 2012E 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 2012E Term Bonds in the manner to be determined by the County or, if no such determination is made, on a *pro rata* basis.

Redemption of the 2012F Bonds

Optional Redemption with Make-Whole Premium. The County reserves the right and option to redeem the 2012F Bonds prior to their stated maturity dates, as a whole or in part, on any Business Day (defined as a day other than a day on which commercial banks located in Seattle, Washington, or New York, New York, are required or authorized by law to close), at the Make-Whole Redemption Price determined by the Designated Investment Banker, as defined below.

“Make-Whole Redemption Price” means, with respect to any redemption date for a particular 2012F Bond, the greater of (i) the issue price of the 2012F Bonds (as set forth on page i of this Official Statement) (but not less than 100% of the principal amount of the 2012F Bonds to be redeemed), or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2012F Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2012F Bonds are to be redeemed, discounted on a semi-annual basis to the date on which such 2012F Bonds are to be redeemed, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 25 basis points, plus accrued and unpaid interest on the 2012F Bonds to be redeemed on the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular 2012F Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (defined below), as calculated by the Designated Investment Banker.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular 2012F Bond, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of such 2012F Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2012F Bond to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular 2012F Bond:

- (i) if the Designated Investment Banker receives at least five Reference Treasury Dealer Quotations (defined below), the average of such quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation, or
- (ii) if the Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the County.

“Reference Treasury Dealer” means each of five firms, specified by the County from time to time, that are primary United States Government securities dealers in the City of New York (each, a “Primary Treasury Dealer”), which may include one or more of the purchasers of the Bonds; provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2012F Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the County and the Bond Registrar by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the date specified in the redemption notice, which date can be no earlier than four days after the date of the redemption notice and no later than four days preceding such redemption date.

Extraordinary Optional Redemption. The 2012F Bonds are subject to extraordinary optional redemption at any time prior to their stated maturity at the option of the County, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of (i) 100% of the principal amount of the 2012F Bonds to be redeemed, or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2012F Bonds to be redeemed (taking into account any mandatory sinking fund redemptions on a *pro rata* basis), not including any portion of those payments of interest accrued and unpaid as of the date on which the 2012F Bonds are to be redeemed, on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis points, plus accrued and unpaid interest on the 2012F Bonds to be redeemed to the redemption date. See “Preliminary Official Statement—Description of the Bonds—Redemption.”

An “Extraordinary Event” will have occurred if (i) Section 54D or Section 6431 of the Internal Revenue Code of 1986, as amended (the “Code”), is modified or amended in a manner pursuant to which the Refundable Credit payment due to the County from the United States Treasury with respect to the 2012F Bonds is reduced or eliminated, or (ii) guidance is published by the Internal Revenue Service or the United States Treasury with respect to such Code sections that places one or more substantive new conditions on the receipt by the County of such Refundable Credit payments and such condition(s) are unacceptable to the County.

General Redemption Provisions

Selection of Bonds for Redemption. If fewer than all of the Bonds subject to 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 DTC Letter of Representation. 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 DTC Letter of Representation, 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 Register 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.

Rescission of Redemption. In the case of an optional redemption, the redemption notice may state that the County retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected registered owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded will be of no effect, and the Bonds for which the notice of optional redemption has been rescinded will remain outstanding.

Effect of Redemption. Interest on Bonds called for redemption will cease to accrue on the date fixed for redemption, except in the case of a rescinded optional redemption as described above, or unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

Purchase of Bonds

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

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, each year it will include in its budget and levy an *ad valorem* tax within and as a part of the tax levy permitted to counties without a vote of the people upon all the 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 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 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 1/100 of 1%. No more than one rate of interest may be fixed for any single maturity of the Bonds. Bids will be without condition and may only be submitted electronically via Parity.

No bid will be considered for the 2012E Bonds that is less than an amount equal to 112% of the par value of the 2012E Bonds nor more than an amount equal to 121% of the par value of the 2012E Bonds, or for less than the entire offering of the 2012E 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 2012F Bonds that is less than an amount equal to 100% of the par value of the 2012F Bonds nor more than an amount equal to 102% of the par value of the 2012F Bonds, or for less than the entire offering of the 2012E Bonds. No bid for the 2012F Bonds may result in an underwriter's discount that exceeds 1.5% of the par amount of the 2012F Bonds. The 2012F Bonds must be reoffered at a yield that will produce an issue price that has no more than a *de minimis* amount of premium over the stated principal amount of the 2012F Bonds. For this purpose, a *de minimis* amount of premium is equal to 0.25% of the stated redemption price of the 2012F Bonds at maturity multiplied by the number of complete years to the maturity date, or more. As calculated, the *de minimis* amount for the 2012F Bonds must be less than 2.25%.

For the purpose of the paragraphs above, "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.

Bidding Process

By submitting an electronic bid for either 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.

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 communicated through the News Services 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.

Good Faith Deposits

The successful bidder for the 2012E Bonds is required to deliver a good faith deposit in the amount of \$250,000 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. The successful bidder for the 2012F Bonds is required to deliver a good faith deposit in the amount of \$60,000 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 each series of the Bonds at the time of the verbal awards.

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

Insurance

The use of insurance as part of a bid for the 2012F Bonds is prohibited.

Bids for the 2012E Bonds will not be conditioned upon obtaining insurance or any other credit enhancement. If the 2012E 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 2012E Bonds resulting by reason of such insurance, unless otherwise paid, will be paid by such bidder. Any failure of the 2012E 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 2012E 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. *For bids submitted for the 2012F Bonds, the true interest cost to the County will be determined after subtracting the applicable federal credit payments. See "The Bonds—Designation of the 2012F Bonds as Qualified Energy Conservation Bonds" in the Preliminary Official Statement.*

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 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, such series of 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 2012E Bonds by an amount not to exceed 10% of the principal amount of the 2012E 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 2012E Bonds by 15% of the total par amount.

The County has reserved the right to increase or decrease the preliminary principal amount of the 2012F Bonds by an amount not to exceed 15% of the principal amount of the 2012F Bonds following the opening of the bids.

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. In the event that the County elects to alter the size of either series 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 for such series of the Bonds, 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 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 such 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 each maturity of the Bonds of such series;
- (ii) certifying that a *bona fide* initial public offering of the applicable series of the Bonds ("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 each maturity of the Bonds of such series 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 of such series was in fact sold to the Public in the Initial Offering, except for specified maturities, if applicable.

Delivery

The County will deliver the Bonds (consisting of one certificate per maturity 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. Delivery is expected to be December 19, 2012.

If, prior to the delivery of the 2012E Bonds, the interest receivable by the owners of the 2012E 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 2012E Bonds, at its option, may be relieved of its obligation to purchase the 2012E Bonds, and in that case the good faith deposit accompanying its bid will be returned without interest.

Legal Matters

The approving legal opinion of Gottlieb Fisher PLLC, Seattle, Washington, Bond Counsel, will be provided to the successful bidder for each series of the Bonds at the time of the delivery of the Bonds. In addition, the County will execute a no-litigation certificate in connection with the issuance of the Bonds.

CUSIP Numbers

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

The successful bidder for each series of the Bonds is responsible for obtaining CUSIP numbers 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 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 the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the County will undertake, pursuant to the written "Continuing Disclosure Undertaking" for the Bonds, 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 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 the successful bidder to comply with the Rule.

By submitting the successful proposal, each 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 for each maturity of the 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;

ATTACHMENT B

**Fidelity Capital Markets - Boston , MA's Bid
King County**



**\$25,170,000 Limited Tax General Obligation Bonds, 2012
Series E (Federally Tax-Exempt)**

For the aggregate principal amount of \$25,170,000.00, we will pay you \$28,960,594.30, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
12/01/2013	1,000M	2.0000
12/01/2014	1,005M	3.0000
12/01/2015	3,175M	3.0000
12/01/2016	4,775M	4.0000
12/01/2017	4,990M	5.0000
12/01/2018	4,210M	4.0000
12/01/2019	4,395M	5.0000
12/01/2020	175M	3.0000
12/01/2021	180M	3.0000
12/01/2022	190M	3.0000
12/01/2023	195M	2.0000
12/01/2024	205M	2.0000
12/01/2025	215M	2.1250
12/01/2026	225M	2.1250
12/01/2027	235M	2.2500

Total Interest Cost: \$5,320,891.88
 Premium: \$3,790,594.30
 Net Interest Cost: \$1,530,297.58
 TIC: 1.073660
 Time Last Bid Received On: 12/10/2012 8:59:23 PST

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

Bidder: Fidelity Capital Markets, Boston , MA
 Contact: Bill Laverty
 Title: Vice-President
 Telephone: 617-563-7691
 Fax: 617-692-5949

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

B

Date:

Date:

ATTACHMENT C

2012E Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$1,015,000	2.000%
2014	1,030,000	3.000
2015	3,180,000	3.000
2016	4,790,000	4.000
2017	4,985,000	5.000
2018	4,225,000	4.000
2019	4,395,000	5.000
2020	205,000	3.000
2021	210,000	3.000
2022	215,000	3.000
2023	225,000	2.000
2024	225,000	2.000
2025	230,000	2.125
2026	235,000	2.125
2027	240,000	2.250

Purchase Price

\$29,209,334.13

ATTACHMENT D

BMO Capital Markets - Chicago , IL's Bid
King County



**\$6,060,000 Limited Tax General Obligation Bonds 2012,
Series F (Federally Taxable Qualified Energy
Conservation Bonds)**

For the aggregate principal amount of \$6,060,000.00, we will pay you \$6,069,877.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
12/01/2022	6,060M	2.2000

Total Interest Cost: \$1,326,534.00
 Premium: \$9,877.80
 Net Interest Cost: \$1,316,656.20
 TIC: 2.181747
 Time Last Bid Received On: 12/10/2012 9:27:03 PST

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

Bidder: BMO Capital Markets, Chicago , IL
 Contact: Joe Sofie
 Title: Associate
 Telephone: 312-845-5073
 Fax:

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

ATTACHMENT E

2012F Bond Maturity Date, Principal Amount and Interest Rate

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$6,020,000	2.200%

Purchase Price

\$6,029,812.60