



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Motion 15330

Proposed No. 2019-0071.2

Sponsors Balducci

1 A MOTION of the county council accepting a bid for the
2 purchase of the county's Limited Tax General Obligation
3 Refunding Bonds, 2019, Series A, in the aggregate
4 principal amount of \$41,420,000, establishing certain terms
5 of such bonds in accordance with Ordinance 18376 and
6 establishing a refunding plan for the refunding of the
7 county's Limited Tax General Obligation Bonds, 2009,
8 Series B and the county's Multi-Modal Limited Tax
9 General Obligation Refunding Bonds, 2013.

10 WHEREAS, pursuant to Ordinance 18376 ("the Ordinance"), the county council
11 authorized the issuance of one or more series of limited tax general obligation bonds of
12 the county for the purpose of paying all or part of the cost of refunding limited tax
13 general obligation bonds of the county and the costs of issuing the refunding bonds, and

14 WHEREAS, the Ordinance provided that such bonds may be issued as Tax-
15 Exempt Bonds or Taxable Bonds and sold at public sale, either by competitive bid or
16 negotiated sale, in one or more series, to refund such limited tax general obligation bonds
17 of the county, all as determined by the Finance Director in consultation with the county's
18 financial advisors, and

19 WHEREAS, the Finance Director has determined that a series of such bonds, to

20 be designated as the county's Limited Tax General Obligation Refunding Bonds, 2019,
21 Series A, in the aggregate principal amount of \$41,420,000 ("the 2019A Bonds"), be
22 issued as Tax-Exempt Bonds and sold by competitive bid as provided herein for the
23 purpose of (a) refunding and defeasing the county's Limited Tax General Obligation
24 Bonds, 2009, Series B maturing on or after June 1, 2020, which are described in
25 Attachment A-1 to this motion ("the Refunded 2009B Bonds"), and (b) refunding all of
26 the county's Multi-Modal Limited Tax General Obligation Refunding Bonds, 2013,
27 which are described in Attachment A-2 to this motion ("the Refunded 2013 Bonds" and,
28 together with the Refunded 2009B Bonds, "the Refunded Bonds"), and

29 WHEREAS, a preliminary official statement dated February 15, 2019, has been
30 prepared for the public sale of the 2019A Bonds, the official notice of such sale dated
31 February 15, 2019 ("the Notice"), has been duly prepared, and bids have been received in
32 accordance with the Notice, and

33 WHEREAS, the attached bid of TD Securities (USA) LLC to purchase the 2019A
34 Bonds is the best bid received for the 2019A Bonds, and it is in the best interest of the
35 county that the 2019A Bonds be sold to TD Securities (USA) LLC on the terms set forth
36 in the Notice, the attached bid, the Ordinance and this motion;

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

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

40 B. Ratification of Terms, Acceptance of Bids, and Authorization of Sale of
41 2019A Bonds. The issuance of the 2019A Bonds, designated as the county's Limited Tax
42 General Obligation Refunding Bonds, 2019, Series A, in the aggregate principal amount

43 of \$41,420,000, and the other terms and conditions thereof set forth in the Notice
44 attached hereto as Attachment B, are hereby ratified and confirmed. The offer to
45 purchase the 2019A Bonds, as set forth in the bid of TD Securities (USA) LLC, is
46 attached hereto as Attachment C; provided, that such bid has been adjusted with respect
47 to the aggregate principal amount and principal amount per maturity consistent with the
48 terms of the Notice, such that the 2019A Bonds will mature on the dates and in the
49 amounts, shall bear interest at the rates, and shall be sold at the purchase price specified
50 in Attachment D. The 2019A Bonds shall be issued as Tax-Exempt Bonds, shall be dated
51 their date of issue and delivery, and shall be subject to purchase and optional redemption,
52 all as set forth in the Notice. In all other respects, the 2019A Bonds shall conform to the
53 terms and conditions specified in the Notice and the Ordinance.

54 C. Refunding Plan and Application of 2019A Bond Proceeds. The refunding
55 plan for the Refunded Bonds ("the Refunding Plan") shall be as follows:

56 1. Refunded 2009B Bonds. The county shall call the Refunded 2009B Bonds
57 for redemption on June 1, 2019 ("the Refunded 2009B Bond Redemption Date") and a
58 portion of the proceeds of the 2019A Bonds shall be used to refund and defease the
59 Refunded 2009B Bonds by paying or providing for the payment of the interest on the
60 Refunded 2009B Bonds that will become due and payable before the Refunded 2009B
61 Bond Redemption Date, and the redemption price of the Refunded 2009B Bonds payable
62 on the Refunded 2009B Bond Redemption Date equal to the principal amount thereof
63 plus accrued interest to the Refunded 2009B Bond Redemption Date.

64 The county shall cause net proceeds of the 2019A Bonds in the amount of
65 \$17,280,905.88 to be deposited in and credited to an escrow subaccount ("the Refunded

66 2009B Bond Escrow Subaccount") to be created in the King County Limited Tax General
67 Obligation Bond Refunding Account, 2019, Series A ("the Refunding Account")
68 established pursuant to Section 14 of the Ordinance. The government obligations to be
69 purchased with a portion of such funds in the Refunded 2009B Bond Escrow Subaccount
70 ("the Refunded 2009B Bond Escrow Securities") and the initial cash balance ("the
71 Refunded 2009B Bond Initial Cash") to remain therein for the refunding of the Refunded
72 2009B Bonds shall be as identified in Attachment E-1 to this motion.

73 2. Refunded 2013 Bonds. The county shall call the Refunded 2013 Bonds for
74 redemption on April 1, 2019 ("the Refunded 2013 Bond Redemption Date") and a portion
75 of the proceeds of the 2019A Bonds shall be used, together with other funds of the
76 county, to refund the Refunded 2013 Bonds by paying or providing for the payment of
77 the interest on the Refunded 2013 Bonds that will become due and payable before the
78 Refunded 2013 Bond Redemption Date, and the redemption price of the Refunded 2013
79 Bonds payable on the Refunded 2013 Bond Redemption Date equal to the principal
80 amount thereof plus accrued interest to the Refunded 2013 Bond Redemption Date.

81 The county shall cause net proceeds of the 2019A Bonds in the amount of
82 \$30,760,005.00 to be deposited in and credited to an escrow subaccount ("the Refunded
83 2013 Bond Escrow Subaccount") to be created in the Refunding Account. The
84 government obligations to be purchased with a portion of such funds in the Refunded
85 2013 Bond Escrow Subaccount ("the Refunded 2013 Bond Escrow Securities") and the
86 initial cash balance ("the Refunded 2013 Bond Initial Cash") to remain therein for the
87 refunding of the principal of the Refunded 2013 Bonds shall be as identified in
88 Attachment E-2 to this motion.

89 The accrued interest on the Refunded 2013 Bonds to the Refunded 2013 Bond
90 Redemption Date will be paid from funds in the Multi-Modal Limited Tax General
91 Obligation Refunding Bond Redemption Account, 2013 in the King County Limited Tax
92 General Obligation Bond Redemption Fund.

93 3. Costs of Issuance. The county shall cause the remaining net proceeds of the
94 2019A Bonds in the amount of \$217,454.01 to be deposited in and credited to an issuance
95 costs subaccount to be created in the Refunding Account and applied to pay costs of
96 issuing the 2019A Bonds.

97 D. Escrow Agent. The selection of U.S. Bank National Association as escrow
98 agent ("the Escrow Agent") in connection with the Refunding Plan is hereby ratified and
99 confirmed.

100 E. Required Findings. The county council hereby finds and determines that:

101 1. Savings and Defeasance of Refunded 2009B Bonds. The issuance and sale of
102 the 2019A Bonds will effect a savings to the county, consistent with the county's debt
103 management policy and giving consideration to the fixed maturities of the 2019A Bonds
104 and the Refunded 2009B Bonds, the allocable costs of issuance of the 2019A Bonds, and
105 the known earned income from the investment of the proceeds of the 2019A Bonds
106 pursuant to the Refunding Plan pending redemption of the Refunded 2009B Bonds.

107 The 2009B Escrow Securities to be deposited with the Escrow Agent and the
108 income therefrom, together with the Refunded 2009B Bond Initial Cash, are sufficient to
109 defease the Refunded 2009B Bonds and will discharge and satisfy the obligations of the
110 county under Ordinance 14167, as amended by Ordinance 14463, Ordinance 14745,
111 Ordinance 14992, Ordinance 15285, Ordinance 15604 and Ordinance 16361

112 (collectively, "the 2009B Bond Ordinance"), and the pledge of the county in the 2009B
113 Bond Ordinance. Immediately upon the irrevocable deposit of such Refunded 2009B
114 Bond Escrow Securities and the Refunded 2009B Bond Initial Cash with the Escrow
115 Agent, the Refunded 2009B Bonds shall be deemed not to be outstanding under the
116 2009B Bond Ordinance and shall cease to be entitled to any lien, benefit or security under
117 the 2009B Bond Ordinance.

118 2. Refunding of Refunded 2013 Bonds in Best Interest of the County. The
119 modification of covenants and other terms of the Refunded 2013 Bonds to eliminate the
120 exposure to variable interest rates resulting from the refunding thereof with proceeds of
121 the 2019A Bonds pursuant to the Refunding Plan is in the best interest of the county.

122 F. Undertaking to Provide Ongoing Disclosure.

123 1. Contract/Undertaking. This section F. constitutes the county's written
124 undertaking ("the Undertaking") for the benefit of the owners and beneficial owners of
125 the 2019A Bonds as required by section (b)(5)(i)(C) of rule 15c2-12 ("the rule") of the
126 Securities and Exchange Commission ("the SEC").

127 2. Financial Statements/Operating Data. The county agrees to provide or cause
128 to be provided to the Municipal Securities Rulemaking Board ("the MSRB") the
129 following annual financial information and operating data for the prior fiscal year
130 (collectively, "the Annual Financial Information") (commencing in 2019 for the fiscal
131 year ended December 31, 2018):

132 (a) annual financial statements prepared in accordance with the Budget
133 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor
134 pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached

135 to the official statement as "Appendix B," which statements will not be audited, except
136 that if and when audited financial statements are otherwise prepared and available to the
137 county they will be provided;

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

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

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

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

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

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

147 The Annual Financial Information will be provided on or before the end of seven
148 months after the end of the county's fiscal year. The county's fiscal year currently ends
149 on December 31. The county may adjust such fiscal year by providing written notice of
150 the change of fiscal year to the MSRB. In lieu of providing such Annual Financial
151 Information, the county may make specific cross-reference to other documents available
152 to the public on the MSRB's internet web site or filed with the SEC.

153 If not provided as part of the Annual Financial Information discussed above, the
154 county will provide to the MSRB the county's audited annual financial statements
155 prepared in accordance with BARS when and if available.

156 3. Notification Upon Failure to Provide Annual Financial Information. The
157 county agrees to provide or cause to be provided to the MSRB, in a timely manner, notice

158 of its failure to provide the Annual Financial Information described in subsection 2 above
159 on or prior to the date set forth in subsection 2 above.

160 4. Specified Events. The county agrees to provide or cause to be provided to the
161 MSRB, in a timely manner not in excess of ten business days after the occurrence of the
162 event, notice of the occurrence of any of the following specified events with respect to
163 the 2019A Bonds:

- 164 (a) principal and interest payment delinquencies;
- 165 (b) non-payment related defaults, if material;
- 166 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 167 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 168 (e) substitution of credit or liquidity providers, or their failure to perform;
- 169 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
170 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
171 5701-TEB) or other material notices or determinations with respect to the tax status of the
172 2019A Bonds, or other material events affecting the tax status of the 2019A Bonds;
- 173 (g) modifications to rights of 2019A Bondholders, if material;
- 174 (h) 2019A Bond calls, if material, and tender offers;
- 175 (i) defeasances;
- 176 (j) release, substitution or sale of property securing repayment of the 2019A
177 Bonds, if material;
- 178 (k) rating changes;
- 179 (l) bankruptcy, insolvency, receivership, or similar event of the county;
- 180 (m) the consummation of a merger, consolidation or acquisition involving the

181 county or the sale of all or substantially all of the assets of the county, other than in the
182 ordinary course of business, the entry into a definitive agreement to undertake such an
183 action or the termination of a definitive agreement relating to any such actions, other than
184 pursuant to its terms, if material;

185 (n) appointment of a successor or additional trustee or the change of name of a
186 trustee, if material;

187 (o) incurrence of a financial obligation of the county, if material, or agreement
188 to covenants, events of default, remedies, priority rights, or other similar terms of a
189 financial obligation of the county, any of which affect security holders, if material; and

190 (p) default, event of acceleration, termination event, modification of terms, or
191 other similar events under the terms of a financial obligation of the county, any of which
192 reflect financial difficulties.

193 For purposes of the rule and the Undertaking, the term "financial obligation"
194 means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or
195 pledged as security or a source of payment for, an existing or planned debt obligation; or
196 (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal
197 securities as to which a final official statement has been provided to the MSRB consistent
198 with the rule.

199 Solely for purposes of disclosure, and not intending to modify the Undertaking,
200 the county advises with reference to items (c), (j) and (n) above that no debt service
201 reserves secure payment of the 2019A Bonds, no property secures repayment of the
202 2019A Bonds, and there is no trustee for the 2019A Bonds.

203 5. Electronic Format; Identifying Information. Until otherwise designated by

204 the MSRB or the SEC, any information or notices submitted to the MSRB in compliance
205 with the rule are to be submitted through the MSRB's Electronic Municipal Market
206 Access system, currently located at *www.emma.msrb.org*. All notices, financial
207 information and operating data required by the Undertaking to be provided to the MSRB
208 must be in an electronic format as prescribed by the MSRB. All documents provided to
209 the MSRB pursuant to the Undertaking must be accompanied by identifying information
210 as prescribed by the MSRB.

211 6. Termination/Modification. The county's obligations to provide Annual
212 Financial Information and notices of specified events shall terminate upon the legal
213 defeasance, prior redemption or payment in full of all of the 2019A Bonds. The
214 Undertaking, or any provision hereof, will be null and void if the county (i) obtains an
215 opinion of nationally recognized bond counsel to the effect that those portions of the rule
216 which require the Undertaking, or any such provision, are invalid, have been repealed
217 retroactively or otherwise do not apply to the 2019A Bonds; and (ii) notifies the MSRB
218 of such opinion and the cancellation of the Undertaking.

219 The county may amend the Undertaking, and any provision of the Undertaking
220 may be waived, with an approving opinion of nationally recognized bond counsel and in
221 accordance with the rule.

222 In the event of any amendment or waiver of a provision of the Undertaking, the
223 county will describe such amendment in the next Annual Financial Information, and will
224 include, as applicable, a narrative explanation of the reason for the amendment or waiver
225 and its impact on the type (or in the case of a change of accounting principles, on the
226 presentation) of financial information or operating data being presented by the county. In

227 addition, if the amendment relates to the accounting principles to be followed in
228 preparing financial statements, (i) notice of such change will be given in the same manner
229 as for a specified event under subsection 4, and (ii) the annual financial statements for the
230 year in which the change is made should present a comparison (in narrative form and
231 also, if feasible, in quantitative form) between the financial statements as prepared on the
232 basis of the new accounting principles and those prepared on the basis of the former
233 accounting principles.

234 7. Remedies Under the Undertaking. The right of any 2019A Bond owner or
235 beneficial owner of 2019A Bonds to enforce the provisions of the Undertaking shall be
236 limited to a right to obtain specific enforcement of the county's obligations hereunder,
237 and any failure by the county to comply with the provisions of the Undertaking shall not
238 be an event of default with respect to the 2019A Bonds. For purposes of the
239 Undertaking, "beneficial owner" means any person who has the power, directly or
240 indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2019A
241 Bonds, including persons holding 2019A Bonds through nominees or depositories.

242 G. Further Authority. The Finance Director and other proper county officials,
243 their agents, and representatives are hereby authorized and directed to do everything
244 necessary for the prompt issuance and delivery of the 2019A Bonds, for the preparation,
245 execution and delivery of the final official statement for the sale of the 2019A Bonds, and
246 for the proper use and application of the proceeds of such sale.

247 H. Severability. The covenants contained in this motion shall constitute a
248 contract between the county and the owners of each and every 2019A Bond. If any one
249 or more of the covenants or agreements provided in this motion to be performed on the

250 part of the county shall be declared by any court of competent jurisdiction to be contrary
251 to law, then such covenant or covenants, agreement or agreements, shall be null and void
252 and shall be deemed separable from the remaining covenants and agreements of this
253 motion and shall in no way affect the validity of the other provisions of this motion or of
254 the 2019A Bonds.
255

Motion 15330 was introduced on 2/27/2019 and passed by the Metropolitan King
County Council on 2/27/2019, by the following vote:

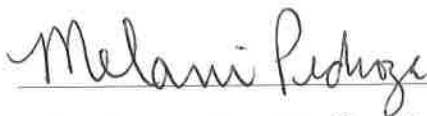
Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Rod Dembowski, Chair

ATTEST:



Melani Pedroza, Clerk of the Council



Attachments: A-1. Description of the Refunded 2009B Bonds, A-2. Description of the Refunded 2013 Bonds, B. Official Notice of Sale, C. Winning Bid, D. Bond Maturity Dates, Principal Amounts and Interest Rates, E-1. Description of the Refunded 2009B Bond Escrow Securities and the Refunded 2009B Bond Initial Cash, E-2. Description of the Refunded 2013 Bond Escrow Securities and the Refunded 2013 Bond Initial Cash

ATTACHMENT A-1

Description of the Refunded 2009B Bonds

<u>Maturity</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP</u>
2020	\$ 890,000	5.000%	6/1/2019	100%	49474FTT7
2021	1,860,000	5.000	6/1/2019	100	49474FTU4
2022	1,035,000	5.000	6/1/2019	100	49474FTV2
2023	2,015,000	5.000	6/1/2019	100	49474FTW0
2024	1,185,000	4.000	6/1/2019	100	49474FTX8
2025	2,170,000	5.125	6/1/2019	100	49474FTY6
2026	1,350,000	5.125	6/1/2019	100	49474FTZ3
2027	2,355,000	5.000	6/1/2019	100	49474FUA6
2029*	4,090,000	5.000	6/1/2019	100	49474FUB4

* Term Bond

ATTACHMENT A-2

Description of the Refunded 2013 Bonds

<u>Maturity</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP</u>
2029*	\$30,760,000	Variable	4/1/2019	100%	49474FFZ8

* Term Bond

OFFICIAL NOTICE OF SALE**\$42,025,000⁽¹⁾****KING COUNTY, WASHINGTON****LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2019, SERIES A**

Electronic bids for the Limited Tax General Obligation Refunding Bonds, 2019, Series A (the "Bonds"), of King County, Washington (the "County"), will be received via the PARITY Electronic Bidding System ("Parity") in the manner described below on

FEBRUARY 27, 2019, AT 8:00 A.M., PACIFIC TIME

or at such later date or time as may be established by the Director (the "Finance Director") of the Finance and Business Operations Division of the King County Department of Executive Services 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 the Bonds, the Bonds will be awarded to the successful bidder and the terms of the bid will be approved by the County Council at such meeting.

The Bonds will be sold on an all-or-none basis. Bids for the Bonds must be submitted electronically via Parity in accordance with its Rules of Participation and this notice, and no bid 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

Bidders are advised that the County may modify the terms of this Official Notice of Sale prior to the time for receipt of bids, or postpone or cancel the sale of the Bonds, at its discretion. Any such modification, postponement, or cancellation will be provided to Parity and i-Deal Prospectus on or before February 26, 2019. 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 municipal advisor (the "Municipal 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 February 15, 2019, 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 Municipal Advisor. See "Contact Information."

(1) Preliminary, subject to change.

Contact Information

Finance and Business Operations Division	Nigel Lewis King County (206) 263-2857 <i>nigel.lewis@kingcounty.gov</i>
Municipal Advisor	Rob Shelley Piper Jaffray & Co. Office: (206) 628-2879 Day of Sale: (206) 601-2249 <i>robert.e.shelley@pjc.com</i>
Bond Counsel	Dan Gottlieb Hillis Clark Martin & Peterson P.S. (206) 470-7627 <i>dan.gottlieb@hcmp.com</i>

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of their initial delivery (the "Issue Date"). The Bonds bear interest payable semiannually on each June 1 and December 1, beginning June 1, 2019, to the maturity of the Bonds. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will mature on the dates and in the amounts set forth on page i of the Preliminary Official Statement.

The Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co. as Bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agent for the State of Washington, currently U.S. Bank National Association (the "Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

Maturities

The principal amounts of the Bonds as set forth below will be retired on June 1 of each respective year as serial bonds maturing on such dates.

Serial Maturity (June 1)	Principal Amounts⁽¹⁾
2019	\$ 1,945,000
2020	3,165,000
2021	3,330,000
2022	3,500,000
2023	3,680,000
2024	3,870,000
2025	4,070,000
2026	4,275,000
2027	4,495,000
2028	4,725,000
2029	4,970,000

(1) Preliminary, subject to change.

No Redemption of the Bonds

The Bonds are not subject to redemption prior to maturity.

Purchase of Bonds

The County reserves the right and option to purchase any or all of the Bonds at any time at any price.

Refunding or Defeasance of Bonds

Pursuant to the Ordinance, the County may issue refunding obligations pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of, premium, if any, and interest on the Bonds, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund, or defease all or a portion of the then outstanding Bonds (the "Defeased Bonds"), and to pay the costs of the refunding or defeasance.

If money or noncallable Government Obligations (defined in the Ordinance) maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire, refund, or defease the Defeased Bonds in accordance with their terms are set aside in a special trust or escrow fund or account irrevocably pledged to that redemption, retirement, or defeasance of Defeased Bonds (the "Trust Account"), then the Defeased Bonds will be deemed not to be outstanding under the Ordinance, no further payments need be made into the applicable redemption account for the payment of the principal of and interest on the Defeased Bonds, and the Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit, or security of the Ordinance. The owners of Defeased Bonds will have the right to receive payment of the principal of and premium, if any, and interest on the Defeased Bonds from the Trust Account.

Security

The Bonds are general obligations of the County. The County irrevocably covenants and agrees 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 upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues 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 irrevocably pledges that the annual tax to be levied for the payment of such principal and interest will be within and as a part of the tax levy permitted to counties without a vote of the people, and that a sufficient portion of the taxes to be levied and collected annually by the County prior to the full payment of the principal of and interest on the Bonds will be irrevocably set aside, pledged, and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit, and resources of the County are irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same will become due.

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 the Bonds fixing the interest rate that the Bonds will bear. The interest rates bid for 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 any single maturity of the Bonds. Bids will be without condition and may be submitted only electronically via Parity.

No bid will be considered for the Bonds that is less than an amount equal to 109% of the par value of the Bonds or more than an amount equal to 118% of the par value of the Bonds, or for less than the entire offering of the Bonds.

Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours 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 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 the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for the Bonds by giving notice under the procedures 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 the Bonds is required to deliver a good faith deposit in the amount of \$425,000 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 at the time of the verbal award.

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

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

Insurance

Bids for the Bonds may not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor will be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance will be paid by the 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 proposal for the purchase of the Bonds.

If the successful bidder for 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 various maturities of the insured Bonds at interest rates on the insured Bonds issued with and without the insurance on the insured Bonds.

Award

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

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

Adjustment of Principal Amount and Bid Price After Bid Opening

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed 10% of the principal amount of the Bonds following the opening of the bids for the Bonds. The County has also reserved the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by 15% of the principal amount of that maturity.

The price bid by the successful bidder for the Bonds will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount of the Bonds. In the event that the County elects to increase or decrease the principal amount of the Bonds after the bid pursuant to this Official Notice of Sale, the underwriter's discount for the Bonds, expressed in dollars per thousand, will be held constant. The County will not be responsible in the event and to the extent that any adjustment affects (i) the net compensation to be realized by the successful bidder, or (ii) the true interest cost of the winning bid or its ranking relative to other bids.

Issue Price Information

Competitive Sale. The County expects to determine the issue price of the Bonds under the special rule for competitive sales provided by Treasury Regulation Section 1.148-1(f)(3)(i) because the sale of the Bonds is expected to meet the following requirements (the "competitive sale requirements"):

- (i) the County will disseminate this Official Notice of Sale to potential underwriters of municipal bonds in a manner that is reasonably designed to reach such potential underwriters;
- (ii) all bidders will have an equal opportunity to bid for the Bonds;
- (iii) the County will receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the County will award the sale of the Bonds to the bidder who submits a bid in conformance with this Official Notice of Sale to purchase the Bonds at a price that produces the lowest true interest cost to the County, as set forth in this Official Notice of Sale under the heading "Award."

The winning bidder for the Bonds will be required to assist the County in establishing the issue price of the Bonds under the special rule for competitive sales by (i) providing to the Finance Director, in writing, immediately following the award of the sale of the Bonds to the winning bidder, the reasonably expected initial offering price to the public as of the sale date of each maturity of the Bonds on which the price bid by the winning bidder was based; and (ii) executing and delivering to the County on or before the Issue Date an issue price certificate setting forth for each maturity of the Bonds the reasonably expected initial offering price to the public as of the sale date on which the price bid by the winning bidder for the Bonds was based. The issue price certificate shall be substantially in the form of Exhibit 1 attached to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County, and Bond Counsel.

Use of General Rule (10% Test) If Competitive Sale Requirements Not Met. If the County determines that the sale of the Bonds failed to meet the competitive sale requirements as previously described, the County will so advise the winning bidder for the Bonds, the bids for the Bonds will not be subject to cancellation by the winning bidder, and the County will determine the issue price for the Bonds on the basis of the first price at which a substantial amount (10%) of each maturity of the Bonds is sold to the public (the "10% test") under the general rule provided by Treasury

Regulation Section 1.148-1(f)(2)(i). The County will not require the winning bidder to comply with the special “hold-the-offering-price rule” provided by Treasury Regulation Section 1.148-1(f)(2)(ii).

In this event, the winning bidder for the Bonds will be required to assist the County in establishing the issue price of the Bonds under the 10% test by:

- (i) providing to the Finance Director, in writing, immediately following the award of the sale of the Bonds to such winning bidder, the reasonably expected initial offering price to the public as of the sale date of each maturity of the Bonds on which the price bid by the winning bidder was based;
- (ii) advising the Finance Director, in writing, which maturities of the Bonds satisfy the 10% test as of the close of business on the next business day following the date of the award of the Bonds to the winning bidder and which maturities, if any, of the Bonds do not satisfy the 10% test as of the close of business on the next business day following the date of the award of the Bonds to the winning bidder (“undersold maturities”);
- (iii) promptly reporting to the County the principal amounts of and prices at which undersold maturities of the Bonds are sold to the public until the earlier of the date on which the 10% test has been satisfied as to each maturity of the Bonds or the date on which all maturities of the Bonds have been sold to the public, whether or not the Issue Date has occurred; and
- (iv) delivering to the County on or before the Issue Date an issue price certificate substantially in the form of Exhibit 2 attached to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County, and Bond Counsel.

By submitting a bid, each bidder confirms that:

- (i) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires; and
- (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

For the purpose of applying the 10% test, “public” means any person other than an underwriter or a related party to an underwriter, “related party” means any two or more persons who have greater than 50% common ownership, directly or indirectly, and “underwriter” means (i) the underwriter that is the winning bidder for the Bonds and any person that agrees pursuant to a written contract with the lead underwriter to form an underwriting syndicate to participate in the initial sale of the Bonds; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

Delivery

The County will deliver the Bonds (consisting of one certificate per maturity) to DTC in New York, New York, or to the Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing will occur within 30 days after the Sale Date. Settlement will be in federal funds available in Seattle, Washington, on the date of issue of the Bonds (the “Date of Issue”). Delivery is expected to be March 15, 2019.

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

Legal Matters

The Purchaser of the Bonds will be provided with the approving legal opinion of Hillis Clark Martin & Peterson P.S., Seattle, Washington, Bond Counsel, at the time of the delivery of the Bonds. 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 for the Bonds to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

The County's Municipal Advisor is responsible for obtaining CUSIP numbers for the Bonds. The charge of the CUSIP Service Bureau will be paid by the successful bidder for the Bonds.

OTHER INFORMATION

Ongoing Disclosure Undertaking

To assist bidders in complying with paragraph (b)(5) of Securities and Exchange Commission ("SEC") Rule 15c2-12 ("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 "Legal and Tax Information—Continuing Disclosure Undertaking" and will also be set forth in the final Official Statement.

Preliminary Official Statement

The Preliminary Official Statement is in a form that the County has deemed final for the purpose of paragraph (b)(1) of Rule 15c2-12, but is subject to revision, amendment, and completion in a final Official Statement, which the County will deliver, at the County's expense, to the Purchaser of the Bonds 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 Purchaser to comply with Rule 15c2-12.

By submitting the successful proposal, the Purchaser of the Bonds 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 each maturity of the Bonds, necessary for completion of the final Official Statement;
- (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the County;
- (iii) to take any and all actions necessary to comply with applicable rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB") governing the offering, sale, and delivery of the Bonds to the ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases the Bonds; and
- (iv) to file the final Official Statement or cause it to be filed with the MSRB within one business day following its receipt from the County.

Official Statement

At closing, the County will furnish a certificate of an official or officials of the County, stating that, to the best knowledge of such official(s), 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, the Purchaser of the Bonds, 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 15th day of February, 2019.

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

**OFFICIAL NOTICE OF SALE—EXHIBIT 1
FORM OF ISSUE PRICE CERTIFICATE—COMPETITIVE SALE**

§ _____
**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2019, SERIES A
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

Defined Terms

- (i) *Maturity* means Bonds having the same maturity date and credit and payment terms.
- (ii) *Public* means any person other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (iii) *Sale Date* means February 27, 2019, the date on which the sale of the Bonds was awarded to the Underwriter pursuant to its bid.
- (iv) *Underwriter* means (a) the Underwriter, as the winning bidder to purchase the Bonds and any person that agrees pursuant to a written contract with the Underwriter as the lead underwriter to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Reasonably Expected Initial Offering Price

- (i) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.
- (ii) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.
- (iii) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may provide to the County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

**OFFICIAL NOTICE OF SALE—EXHIBIT 2
FORM OF ISSUE PRICE CERTIFICATE—GENERAL RULE (10% TEST)**

\$ _____
**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2019, SERIES A
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

Defined Terms

- (i) *Maturity* means Bonds having the same maturity date and credit and payment terms.
- (ii) *Public* means any person other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (iii) [*Undersold Maturity* means any Maturity at least 10% of which has not been sold to the Public at the same price.]
- (iv)] *Underwriter* means (a) the Underwriter as the winning bidder to purchase the Bonds and any person that agrees pursuant to a written contract with the Underwriter as the lead underwriter to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Sale of the Bonds

- (i) As of the date of this certificate, for each Maturity of the Bonds listed below, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public is its respective price listed below.

Maturity	Principal Amount (\$)⁽¹⁾	Interest Rate (%)	First Sale Price of at Least 10% (% of Par)	Expected Offering Price (% of Par)	Total Dollar Price Based on Lower of Sale Price or Offer Price (\$)
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
Total	\$ _____				_____

- [(ii) As of the date of this certificate, the Maturities of the Bonds listed below are Undersold Maturities.

[INSERT SCHEDULE OF UNDERSOLD MATURITIES]

The Underwriter will promptly report to the County the prices at which the Undersold Maturities of the Bonds are sold to the Public until the earlier of the date on which the 10% test has been satisfied as to each Undersold Maturity of the Bonds or the date on which all Undersold Maturities of the Bonds have been sold to the Public.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may provide to the County from time to time relating to the Bonds.

[UNDERWRITER]

By: _____
Name: _____

Dated: [ISSUE DATE]

ATTACHMENT D

Bond Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$1,935,000	5.00%
2020	3,120,000	5.00
2021	3,280,000	5.00
2022	3,450,000	5.00
2023	3,625,000	5.00
2024	3,810,000	5.00
2025	4,010,000	5.00
2026	4,210,000	5.00
2027	4,430,000	5.00
2028	4,655,000	5.00
2029	4,895,000	5.00

Purchase Price

\$48,258,364.89

ATTACHMENT E-1

Description of the Refunded 2009B Bond Escrow Securities
and the Refunded 2009B Bond Initial Cash**Refunded 2009B Bond Escrow Securities**

Type of Security	Maturity Date	First Interest Payment Date	Par Amount	Rate
SLGS	6/1/2019	6/1/2019	\$17,280,900	2.420%

Refunded 2009B Bond Initial Cash

\$5.88

ATTACHMENT E-2

Description of the Refunded 2013 Bond Escrow Securities
and the Refunded 2013 Bond Initial Cash**Refunded 2013 Bond Escrow Securities**

Type of Security	Maturity Date	First Interest Payment Date	Par Amount	Rate
SLGS	4/1/2019	4/1/2019	\$30,760,000	0.00%

Refunded 2013 Bond Initial Cash

\$5.00