



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 15, 2010

Motion 13372

Proposed No. 2010-0403.2

Sponsors Patterson

1 A MOTION of the county council approving the sale of the
2 county's Limited Tax General Obligation Bonds, 2010,
3 Series A (Federally Tax-Exempt), in the aggregate
4 principal amount of \$25,825,000 and the terms and
5 conditions thereof, as set forth in a bond purchase contract
6 therefor, approving and authorizing the execution of such
7 bond purchase contract, and determining the application of
8 the sale proceeds of such bonds, all in accordance with
9 Ordinance 16920.

10 WHEREAS, pursuant to Ordinance 16920 (the "Ordinance"), the county council
11 authorized the issuance of one or more series of its limited tax general obligation bonds
12 in an outstanding aggregate principal amount not to exceed \$117,000,000 to provide
13 long-term financing for the capital costs of the Atlantic/Central Base Operations Building
14 Project, the Camera Recording System Project, the Data Center Relocation and
15 Contingency Projects, the Data Center Specifications Project, the Earlington HVAC and
16 Roof Energy Project, the IRIS/TESS Replacement Project, the IT Reorganization Project,
17 the Major Maintenance Reserve Fund Projects, the McKinstry Essention Contract Energy
18 Efficiencies Project, the Northeast Novelty Hill Road Project and the North Base HVAC
19 Replacement Project, each defined and described in the Ordinance, and

20 WHEREAS, the Ordinance provided that such bonds may be issued as Tax-
21 Exempt Obligations, BABs, RZEDBs, QECBs or other Taxable Obligations in one or
22 more series, any of which may be sold in a combined offering with other bonds of the
23 county, publicly, either by negotiated sale or by competitive bid, as determined by the
24 Finance Director in consultation with the county's financial advisors, and

25 WHEREAS, the Finance Director has determined that a series of such bonds, to
26 be designated as the county's Limited Tax General Obligation Bonds, 2010, Series A
27 (Federally Tax-Exempt), in the aggregate principal amount of \$25,825,000 (the "2010A
28 Bonds"), be sold as Tax-Exempt Obligations to provide long-term financing for all or a
29 portion of the capital costs of the Atlantic/Central Base Operations Building Project, the
30 Camera Recording System Project, the Data Center Specifications Project, the
31 IRIS/TESS Replacement Project, the IT Reorganization Project, the Major Maintenance
32 Reserve Fund Projects, the McKinstry Essention Contract Energy Efficiencies Project,
33 the Northeast Novelty Hill Road Project and the North Base HVAC Replacement Project,
34 all as provided herein, and

35 WHEREAS, currently, none of the bonds authorized by the Ordinance are
36 outstanding. The aggregate principal amount of all such bonds (including the 2010A
37 Bonds) to be outstanding on the date of issuance of the 2010A Bonds, will be
38 \$109,875,000, which amount does not exceed \$117,000,000, and

39 WHEREAS, pursuant to the Ordinance, the Finance Director has negotiated the
40 sale of the 2010A Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated,
41 Citigroup Global Markets Inc. and Siebert Brandford Shank & Co., LLC (collectively,
42 the "Underwriters"), and a preliminary official statement dated November 5, 2010, has

43 been prepared for the sale of the 2010A Bonds and other series of bonds of the county
44 authorized pursuant to the Ordinance, and

45 WHEREAS, it is in the best interest of the county that the 2010A Bonds be sold
46 to the Underwriters on the terms set forth in the attached bond purchase contract, the
47 Ordinance and this motion;

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

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

51 B. Approval of Sale of 2010A Bonds and Purchase Contract. The issuance and
52 sale of the 2010A Bonds, designated as the county's Limited Tax General Obligation
53 Bonds, 2010, Series A (Federally Tax-Exempt), in the aggregate principal amount of
54 \$25,825,000, and the other terms and conditions thereof as set forth in the bond purchase
55 contract attached hereto as Attachment A (the "Purchase Contract"), are hereby ratified
56 and confirmed; and the Purchase Contract is hereby approved. The 2010A Bonds shall
57 be Tax-Exempt Obligations, as defined in the Ordinance. The 2010A Bonds shall be
58 dated, shall mature on the dates in each of the years and in the principal amounts, shall
59 bear interest at the rates and payable on the dates, and shall be subject to redemption prior
60 to maturity in the amounts, in the manner and at the prices as set forth in the Purchase
61 Contract. In all other respects, the 2010A Bonds shall conform to the terms and
62 conditions specified in the Purchase Contract and the Ordinance, which terms are hereby
63 ratified and confirmed. The Finance Director is authorized to execute the Purchase
64 Contract on behalf of the county.

65 C. Application of 2010A Bond Sale Proceeds. The sale proceeds of the 2010A
66 Bonds, net of the underwriters' discount, shall be applied as follows:

67 1. Atlantic/Central Base Operations Building Project. \$3,956,028.96 shall be
68 deposited into the Public Transportation Construction Subfund within the Public
69 Transportation Construction Fund to provide long-term financing for a portion of the
70 capital costs of the Atlantic/Central Base Operations Building Project.

71 2. Camera Recording System Project. \$2,494,245.80 shall be deposited into the
72 BCI 2010 G.O.-FMD Subfund within the Building Construction and Improvement Fund
73 to provide long-term financing for a portion of the capital costs of the Camera Recording
74 System Project.

75 3. Data Center Specifications Project. \$3,641,011.06 shall be deposited into the
76 BCI 2010 G.O.-FMD Subfund within the Building Construction and Improvement Fund
77 to provide long-term financing for a portion of the capital costs of the Data Center
78 Specifications Project.

79 4. IRIS/TESS Replacement Project. \$3,615,726.00 shall be deposited into the
80 2010 G.O. Bonds-OIRM Subfund within the OIRM Capital Fund to provide long-term
81 financing for all or a portion of the capital costs of the IRIS/TESS Replacement Project.

82 5. IT Reorganization Project. \$1,500,113.89 shall be deposited into the 2010
83 G.O. Bonds-OIRM Subfund within the OIRM Capital Fund to provide long-term
84 financing for a portion of the capital costs of the IT Reorganization Project.

85 6. Major Maintenance Reserve Fund Projects. \$3,000,000.00 shall be deposited
86 into the 2010 G.O. Bonds-MMR Subfund within the Major Maintenance Reserve Fund to

87 provide long-term financing for all or a portion of the capital costs of the Major
88 Maintenance Reserve Fund Projects.

89 7. McKinstry Essention Contract Energy Efficiencies Project. \$2,331,120.17
90 shall be deposited into the BCI 2010 G.O.-FMD Subfund within the Building
91 Construction and Improvement Fund to provide long-term financing for a portion of the
92 capital costs of the McKinstry Essention Contract Energy Efficiencies Project.

93 8. Northeast Novelty Hill Road Project. \$7,178,798.51 shall be deposited into
94 the 2010 G.O. Bonds-Roads Subfund within the Road Construction Fund to provide long-
95 term financing for a portion of the capital costs of the Northeast Novelty Hill Road
96 Project.

97 9. North Base HVAC Replacement Project. \$233,902.83 shall be deposited into
98 the Public Transportation Construction Subfund within the Public Transportation
99 Construction Fund to provide long-term financing for a portion of the capital costs of the
100 North Base HVAC Replacement Project.

101 10. Issuance Costs. The remainder of the net sale proceeds of the 2010A Bonds
102 shall be deposited into the 2010 G.O. Bonds-MMR Subfund within the Major
103 Maintenance Reserve Fund for application to the payment of costs and expenses incurred
104 in issuing the 2010A Bonds.

105 D. Undertaking to Provide Ongoing Disclosure.

106 1. Contract/Undertaking. This section D. constitutes the county's written
107 undertaking for the benefit of the owners and beneficial owners of the 2010A Bonds as
108 required by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange
109 Commission (the "Commission").

110 2. Financial Statements/Operating Data. The county agrees to provide or cause
111 to be provided to the Municipal Securities Rulemaking Board (the "MSRB") the
112 following annual financial information and operating data for the prior fiscal year
113 (commencing in 2011 for the fiscal year ended December 31, 2010):

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

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

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

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

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

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

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

129 Such annual information and operating data described above shall be provided on
130 or before the end of seven months after the end of the county's fiscal year. The county's
131 fiscal year currently ends on December 31. The county may adjust such fiscal year by
132 providing written notice of the change of fiscal year to the MSRB. In lieu of providing

133 such annual financial information and operating data, the county may cross-reference to
134 other documents available to the public on the MSRB's internet web site or filed with the
135 Commission.

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

139 3. Material Events. The county agrees to provide or cause to be provided, in a
140 timely manner not in excess of ten business days after the occurrence of the event, to the
141 MSRB, notice of the occurrence of any of the following events with respect to the 2010A
142 Bonds:

- 143 (a) principal and interest payment delinquencies;
- 144 (b) non-payment related defaults, if material;
- 145 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 146 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 147 (e) substitution of credit or liquidity providers, or their failure to perform;
- 148 (f) adverse tax opinions, the issuance by the Internal Revenue Service of
149 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
150 5701-TEB) or other material notices or determinations with respect to the tax status of the
151 2010A Bonds, or other material events affecting the tax status of the 2010A Bonds;
- 152 (g) modifications to rights of 2010A Bondholders, if material;
- 153 (h) 2010A Bond calls, if material, and tender offers;
- 154 (i) defeasances;

155 (j) release, substitution or sale of property securing repayment of the 2010A

156 Bonds, if material;

157 (k) rating changes;

158 (l) bankruptcy, insolvency, receivership, or similar event of the county;

159 (m) the consummation of a merger, consolidation or acquisition involving the

160 county or the sale of all or substantially all of the assets of the county, other than in the

161 ordinary course of business, the entry into a definitive agreement to undertake such an

162 action or the termination of a definitive agreement relating to any such actions, other than

163 pursuant to its terms, if material; and

164 (n) appointment of a successor or additional trustee or the change of name of a

165 trustee, if material.

166 Solely for purposes of disclosure, and not intending to modify this undertaking,

167 the county advises with reference to items (c), (j) and (n) above that no debt service

168 reserves secure payment of the 2010A Bonds, no property secures repayment of the

169 2010A Bonds, and there is no trustee for the 2010A Bonds.

170 4. Notification Upon Failure to Provide Financial Data. The county agrees to

171 provide or cause to be provided, in a timely manner, to the MSRB, notice of its failure to

172 provide the annual financial information described in subsection 2 above on or prior to

173 the date set forth in subsection 2 above.

174 5. Electronic Format; Identifying Information. The county agrees that all

175 documents provided to the MSRB pursuant to this section D. shall be provided in an

176 electronic format and accompanied by such identifying information, each as prescribed

177 by the MSRB.

178 6. Termination/Modification. The county's obligations to provide annual
179 financial information and notices of material events shall terminate upon the legal
180 defeasance, prior redemption or payment in full of all of the 2010A Bonds. This section
181 D., or any provision hereof, shall be null and void if the county (i) obtains an opinion of
182 nationally recognized bond counsel to the effect that those portions of the rule which
183 require this section D., or any such provision, are invalid, have been repealed
184 retroactively or otherwise do not apply to the 2010A Bonds; and (ii) notifies the MSRB
185 of such opinion and the cancellation of this section D.

186 Notwithstanding any other provision of this motion, the county may amend this
187 section D., and any provision of this section D. may be waived, with an approving
188 opinion of nationally recognized bond counsel and in accordance with the rule.

189 In the event of any amendment or waiver of a provision of this section D., the
190 county shall describe such amendment in the next annual report, and shall include, as
191 applicable, a narrative explanation of the reason for the amendment or waiver and its
192 impact on the type (or in the case of a change of accounting principles, on the
193 presentation) of financial information or operating data being presented by the county. In
194 addition, if the amendment relates to the accounting principles to be followed in
195 preparing financial statements, (i) notice of such change shall be given in the same
196 manner as for a material event under subsection 3, and (ii) the annual report for the year
197 in which the change is made should present a comparison (in narrative form and also, if
198 feasible, in quantitative form) between the financial statements as prepared on the basis
199 of the new accounting principles and those prepared on the basis of the former accounting
200 principles.

201 7. 2010A Bond Owners' Remedies Under This Section D. The right of any
202 2010A Bond owner or beneficial owner of 2010A Bonds to enforce the provisions of this
203 section D. shall be limited to a right to obtain specific enforcement of the county's
204 obligations hereunder, and any failure by the county to comply with the provisions of this
205 undertaking shall not be an event of default with respect to the 2010A Bonds. For
206 purposes of this section D., "beneficial owner" means any person who has the power,
207 directly or indirectly, to vote or consent with respect to, or to dispose of ownership of,
208 any 2010A Bonds, including persons holding 2010A Bonds through nominees or
209 depositories.

210 E. Further Authority. The proper county officials, their agents, and
211 representatives are hereby authorized and directed to do everything necessary for the
212 prompt issuance and delivery of the 2010A Bonds, for the preparation, execution and
213 delivery of the final official statement for the sale of the 2010A Bonds and other series of
214 bonds of the county authorized pursuant to the Ordinance, and for the proper use and
215 application of the proceeds of such sale.

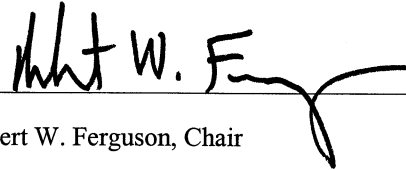
216 F. Severability. The covenants contained in this motion shall constitute a
217 contract between the county and the owners of each and every 2010A Bond. If any one
218 or more of the covenants or agreements provided in this motion to be performed on the
219 part of the county shall be declared by any court of competent jurisdiction to be contrary
220 to law, then such covenant or covenants, agreement or agreements, shall be null and void
221 and shall be deemed separable from the remaining covenants and agreements of this

222 motion and shall in no way affect the validity of the other provisions of this motion or of
223 the 2010A Bonds.
224

Motion 13372 was introduced on 7/19/2010 and passed by the Metropolitan King
County Council on 11/15/2010, by the following vote:

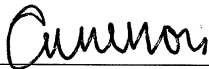
Yes: 9 - Ms. Drago, Mr. Phillips, Mr. von Reichbauer, Mr. Gossett,
Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Robert W. Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. \$25,825, 000 Limited Tax General Obligation Bonds, 2010, Series A (Federally Tax-
Exempt) Bond Purchase Contract

KING COUNTY, WASHINGTON

**\$25,825,000 LIMITED TAX GENERAL OBLIGATION BONDS, 2010, SERIES A
(FEDERALLY TAX-EXEMPT)**

BOND PURCHASE CONTRACT

November 15, 2010

King County, Washington

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Representative"), acting on behalf of itself and, based on representations made to it in an Agreement Among Underwriters among the Representative and the underwriters named therein relating to the above-referenced bonds (the "2010A Bonds"), on behalf of Citigroup Global Markets Inc. and Siebert Brandford Shank & Co., L.L.C. (collectively, the "Underwriters"), offers to enter into this bond purchase contract (together with the exhibits attached hereto, the "Contract") with King County, Washington (the "County"), which upon acceptance of this offer by the County will be binding upon the County and the Underwriters. This offer is made subject to receipt by the Representative of the documents described in this Contract and to the County's acceptance by executing this Contract and delivering it to the Representative at or prior to 5:00 p.m., Pacific Time, on the date of this Contract. If not so accepted, this offer will be subject to withdrawal by the Representative upon notice delivered to the County at any time prior to acceptance of this Contract by the County.

All capitalized terms used in this Contract shall have the respective meanings ascribed to them in the Bond Legislation (defined herein), unless otherwise defined herein.

The County and the Underwriters hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth in this Contract, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to issue, sell and deliver to the Underwriters, all (but not less than all) of the 2010A Bonds. The 2010A Bonds shall be dated the date of their initial delivery to the Underwriters; shall be fully registered as to both principal and interest; and shall bear interest at the rates per annum, be payable as to principal and interest, be initially reoffered to the public at the yields and have such terms relating to redemption as are set forth in Exhibit A attached hereto and such other terms and provisions as are set forth in the Preliminary Official Statement (defined herein). The proceeds of the 2010A Bonds shall be used as described in the Preliminary Official Statement. The

