



December 1, 2018, prior to their maturity, in whole or in part, at any time on or after December 1, 2017, at a price of par plus accrued interest, if any, to the date of redemption.

Pursuant to Ordinance 17564 passed on April 29, 2013 ("the Refunding Ordinance"), the county council authorized, among other things, the issuance of one or more series of its limited tax general obligation refunding bonds to refund certain outstanding limited tax general obligation bonds of the county, including the then-outstanding 2007E Bonds, in an aggregate principal amount that does not exceed the county's nonvoted debt capacity at the time of issuance of those refunding bonds.

There are presently outstanding \$15,140,000 aggregate principal amount of callable 2007E Bonds maturing on December 1 of each of the years 2018 through 2020, inclusive, 2025 and 2027, all bearing interest at the rate of 5.00%.

The county has determined that a debt service savings will be realized by refunding a portion of the outstanding 2007E Bonds.

Pursuant to Ordinance 18089 passed on July 27, 2015 ("the Improvement Ordinance"), the county council authorized the issuance of one or more series of its limited tax general obligation bonds in an aggregate principal amount of not to exceed \$150,000,000 outstanding at any time, to provide funds to pay for the cost of carrying out the Capital Improvement Program for Solid Waste Facilities and the Solid Waste Transfer and Waste Management Plan.

The Refunding Ordinance and the Improvement Ordinance (together, "the Ordinances") provide that such bonds may be publicly sold in one or more series, either by negotiated sale or by competitive bid, as determined by the Finance Director in consultation with the county's financial advisor.

The Finance Director has determined that a series of bonds authorized pursuant to the Ordinances, designated as the county's Limited Tax General Obligation and Refunding Bonds,

2015, Series D, in the aggregate principal amount of \$50,595,000 ("the 2015D Bonds"), be sold as provided herein.

The 2015D Bonds are the first series of bonds issued pursuant to the Improvement Ordinance; the aggregate principal amount of the 2015D Bonds to be issued under the Improvement Ordinance is \$36,385,000; and that amount does not exceed \$150,000,000.

To effect the refunding in the manner that will be most advantageous to the county, it is found necessary and advisable that a portion of the proceeds of the 2015D Bonds be deposited with the Escrow Agent (as defined in the Refunding Ordinance) and held in an irrevocable trust account for the benefit of the holders of the refunded bonds.

Pursuant to the Ordinances, a preliminary official statement dated October 9, 2015, has been prepared for the public sale of the 2015D Bonds, the official notice of such sale dated October 9, 2015 and attached as Attachment A ("the Notice"), has been duly published, and bids have been received in accordance with the Notice.

The bid of Citigroup Global Markets Inc. to purchase the 2015D Bonds (attached as Attachment B) is the best bid received for the 2015D Bonds, and it is in the best interest of the county that the 2015D Bonds be sold to Citigroup Global Markets Inc. on the terms set forth in the Notice, the attached bid, the Ordinances and this motion.

BE IT MOVED BY THE COUNCIL OF KING COUNTY:

A. **Definitions.** Capitalized words that are used in this motion but not defined in this motion have the meanings set forth in the Ordinances for all purposes of this motion, unless some other meaning is plainly intended. The words and terms defined in the preamble to this motion, as used in this motion, have the meanings assigned such terms in the preamble to this motion, for all purposes of this motion, unless some other meaning is plainly intended. The following words and terms as used in this motion have the following meanings for all purposes of this motion, unless some other meaning is plainly intended.

"2007E Refunded Bonds" means the outstanding 2007E Bonds maturing in the years 2018 through 2020, inclusive, 2025 and 2027.

"2007E Refunding Plan" means:

1. the placement with the Escrow Agent of sufficient proceeds of the 2015D Bonds, together with other money of the county, if necessary, sufficient to acquire the Acquired Obligations;
2. the application by the Escrow Agent of all amounts held by it (including the maturing principal of and interest on the Acquired Obligations and any other cash balance) to the payment of interest on the 2007E Refunded Bonds when due up to and including December 1, 2017;
3. the call, payment and redemption on December 1, 2017, of all of the 2007E Refunded Bonds at a price of par; and
4. the payment of the costs of issuing the 2015D Bonds allocated to the 2007E Refunding Plan and the costs of carrying out the foregoing elements of the 2007E Refunding Plan.

**B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of 2015D Bonds.** The issuance of the 2015D Bonds, designated as the county's Limited Tax General Obligation and Refunding Bonds, 2015, Series D, in the aggregate principal amount of \$50,595,000, to provide the funds (1) to carry out the 2007E Refunding Plan, (2) to provide a portion of the financing for the county's Capital Improvement Program for Solid Waste Facilities and the Solid Waste Transfer and Waste Management Plan, and (3) to pay other costs of issuance and sale of the 2015D Bonds, and the other terms and conditions thereof set forth in the Notice, are hereby ratified and confirmed.

The offer to purchase the 2015D Bonds, as set forth in the bid of Citigroup Global Markets Inc. attached as Attachment B, is hereby accepted. All other bids that have been received are attached as Attachment C. The 2015D Bonds will be dated their date of issue and delivery, will be subject to optional redemption, will mature on the dates and in the amounts, and will bear interest at the rates, all as specified in Attachment D. The 2015D Bonds will be issued as Tax-Exempt Bonds under the Ordinances. The 2015D Bonds will conform in all

respects to the terms and conditions specified in the Notice and the Ordinances.

C. **Application of 2015D Bond Proceeds.** A portion of the proceeds of the 2015D Bonds will be deposited immediately upon the receipt thereof with the Escrow Agent and used to carry out the 2007E Refunding Plan, as defined herein and modified or amplified by the Refunding Escrow Agreement, and to pay other costs of issuance and sale of the 2015D Bonds. Any 2015D Bond proceeds or other money deposited with the Escrow Agent not needed to carry out the 2007E Refunding Plan or to pay other costs of issuance and sale of the 2015D Bonds will be returned to the county at the time of delivery of the 2015D Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the 2015D Bonds on the first interest payment date. The remaining proceeds of the 2015D Bonds will be deposited into the Solid Waste Construction Fund and used to provide a portion of the financing for the Capital Improvement Program for Solid Waste Facilities and the Solid Waste Transfer and Management Plan.

D. **Appointment of Escrow Agent.** U.S. Bank National Association of Seattle, Washington, is appointed Escrow Agent for the 2007E Refunded Bonds.

E. **Call for Redemption of the 2007E Refunded Bonds.** The county calls for redemption on December 1, 2017, all of the 2007E Refunded Bonds at par plus accrued interest. Such call for redemption will be irrevocable after the delivery of the 2015D Bonds to the initial purchaser thereof. The date on which the 2007E Refunded Bonds are herein called for redemption is the first date on which the 2007E Refunded Bonds may be called.

F. **Undertaking to Provide Ongoing Disclosure.**

1. **Contract/Undertaking.** This section F. constitutes the county's written undertaking ("the Undertaking") for the benefit of the owners and beneficial owners of the 2015D Bonds as required by section (b)(5)(i)(C) of the Rule.

2. **Financial Statements/Operating Data.** The county agrees to provide or cause to be provided to the MSRB the following annual financial information and operating data for the prior fiscal year

(commencing in 2016 for the fiscal year ending December 31, 2015):

- a. annual financial statements prepared in accordance with the Budget Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached to the official statement as Appendix B, which statements will not be audited, except that if and when audited financial statements are otherwise prepared and available to the county, they will be provided;
- b. a summary of the assessed value of taxable property in the county;
- c. a summary of budgeted General Fund revenues and appropriations;
- d. a summary of *ad valorem* property tax levy rates per \$1,000 of assessed value and delinquency rates;
- e. a summary of outstanding tax-supported indebtedness of the county; and
- f. a schedule of the aggregate annual debt service on tax-supported indebtedness of the county.

Items 2.a. through 2.f. of this section F. will be required only to the extent that such information is not included in the annual financial statements.

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

3. **Specified Events.** The county agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB, notice of the occurrence of any of the following specified events with respect to the 2015D Bonds:

- a. principal and interest payment delinquencies;
- b. non-payment related defaults, if material;
- c. unscheduled draws on debt service reserves reflecting financial difficulties;
- d. unscheduled draws on credit enhancements reflecting financial difficulties;
- e. substitution of credit or liquidity providers, or their failure to perform;
- f. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or

final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 - TEB) or other material notices or determinations with respect to the tax status of the 2015D Bonds, or other material events affecting the tax status of the 2015D Bonds;

- g. modifications to rights of holders of the 2015D Bonds, if material;
- h. bond calls (other than scheduled mandatory redemptions of Term Bonds), if

material, and tender offers;

- i. defeasances;
- j. release, substitution, or sale of property securing repayment of the 2015D Bonds,

if material;

- k. rating changes;

- l. bankruptcy, insolvency, receivership or similar event of the county, as such

"Bankruptcy Events" are defined in the Rule;

- m. the consummation of a merger, consolidation, or acquisition involving the county

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

- n. appointment of a successor or additional trustee or the change of name of a

trustee, if material.

Solely for purposes of disclosure, and not intending to modify the Undertaking, the county advises with reference to items 3.c., 3.j. and 3.n. of this section F. that no debt service reserves secure payment of the 2015D Bonds, no property secures repayment of the 2015D Bonds, and there is no trustee for the 2015D Bonds.

4. **Notification Upon Failure to Provide Financial Data.** The county agrees to provide or cause to be provided to the MSRB, in a timely manner, notice of its failure to provide the annual financial information described in section F.2. of this motion on or prior to the date set forth in section F.2. of this motion.

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

6. **Termination/Modification.** The county's obligations to provide annual financial information and notices of specified events will terminate upon the legal defeasance, prior redemption or payment in full of all of the 2015D Bonds. The Undertaking, or any provision hereof, will be null and void if the county (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the 2015D Bonds; and (b) notifies the MSRB of such opinion and the cancellation of the Undertaking.

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

In the event of any amendment or waiver of a provision of the Undertaking, the county will describe such amendment in the next annual report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the county. In addition, if the

amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change will be given in the same manner as for a specified event under section 3.F. of this motion and (b) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

7. **Bond Owners' Remedies Under the Undertaking.** The right of any owner or beneficial owner of 2015D Bonds to enforce the provisions of the Undertaking will be limited to a right to obtain specific enforcement of the county's obligations hereunder, and any failure by the county to comply with the provisions of the Undertaking will not be an event of default with respect to the 2015D Bonds. For purposes of the Undertaking, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2015D Bonds, including persons holding 2015D Bonds through nominees or depositories.

G. **Further Authority.** The county officials and their agents, attorneys and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the 2015D Bonds and for the proper use and application of the proceeds of sale of the 2015D Bonds.

H. **Severability.** If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then that provision will be null and void and will be deemed separable from the remaining provisions of this motion and will in no way affect the validity of the other provisions of this motion or of the 2015D Bonds.