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Providing for the sale and issuance of The City of Seattle, Washington, Limited Tax General Obligation Improvement and Refunding Bonds, 2006; specifying the amount, maturities, interest rates and other terms of the bonds; providing for the refunding of certain of the City's outstanding limited tax general obligation bonds; providing for the call, payment and redemption of the outstanding bonds to be refunded, appointing a refunding trustee and approving the form and execution of a refunding trust agreement, and authorizing the purchase of certain obligations and the use and application of money derived from those obligations; and ratifying, confirming and approving the notice of bond sale and the actions of the Director of Finance relating to the sale of the bonds.

Introduced: 4/6/06	By: <i>S. Catala</i>
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RESOLUTION 30861

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Limited Tax General Obligation Improvement and Refunding Bonds, 2006; specifying the amount, maturities, interest rates and other terms of the bonds; providing for the refunding of certain of the City's outstanding limited tax general obligation bonds; providing for the call, payment and redemption of the outstanding bonds to be refunded, appointing a refunding trustee and approving the form and execution of a refunding trust agreement, and authorizing the purchase of certain obligations and the use and application of money derived from those obligations; and ratifying, confirming and approving the notice of bond sale and the actions of the Director of Finance relating to the sale of the bonds.

Adopted April 6, 2006

RESOLUTION 30861

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3 A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Limited
4 Tax General Obligation Improvement and Refunding Bonds, 2006; specifying the amount,
5 maturities, interest rates and other terms of the bonds; providing for the refunding of certain
6 of the City's outstanding limited tax general obligation bonds; providing for the call,
7 payment and redemption of the outstanding bonds to be refunded, appointing a refunding
trustee and approving the form and execution of a refunding trust agreement, and authorizing
the purchase of certain obligations and the use and application of money derived from those
obligations; and ratifying, confirming and approving the notice of bond sale and the actions
of the Director of Finance relating to the sale of the bonds.

8 WHEREAS, pursuant to Ordinance 121982, the City authorized the issuance of not to exceed
9 \$24,000,000 of its limited tax general obligation bonds to pay all or part of the cost of City
10 projects identified in that ordinance, the costs of issuance and sale of the those bonds, and
11 other City purposes approved by ordinance; and

12 WHEREAS, pursuant to Ordinance 121651, the City authorized the issuance of not to exceed
13 \$900,000,000 limited tax general obligation refunding bonds to pay all or part of the cost of
14 refunding certain of the City's outstanding limited tax general obligation bonds and pay the
15 costs of issuance and sale of such bonds; and

16 WHEREAS, pursuant to Ordinance 121982 and Ordinance 121651 (collectively the "Bond
17 Ordinances"), the City has determined to issue and sell its Limited Tax General Obligation
18 Improvement and Refunding Bonds, 2006 (the "Bonds"), in the aggregate principal amount
19 of \$24,905,000; and

20 WHEREAS, the Bond Ordinances authorized the Director of Finance to conduct a public sale or to
21 negotiate the sale of the Bonds and to recommend to the City Council for its approval by
22 resolution the interest rates and other terms of and matters relating to the Bonds consistent
23 with the Bond Ordinances; and

24 WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated March 31,
25 2006, for the public sale of the Bonds, including an official notice of that sale (the "Notice of
26 Bond Sale"), has been prepared and distributed, bids have been received in accordance with
the Notice of Bond Sale, and the proposed sale of the Bonds to Morgan Stanley DW Inc. has
been recommended to the City Council for its approval with the interest rates and other terms
of and matters relating to the Bonds set forth in this resolution; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE

MAYOR CONCURRING, THAT:

Section 1. Definitions. The following terms shall have the following meanings for all
purposes of this resolution:

1 Acquired Obligations means those “Acquired Obligations” (as such term is defined in
2 Ordinance 121651) purchased to accomplish the refunding of the Refunded Bonds as authorized by
3 this resolution.

4 Bond Ordinances means, collectively, Ordinances 121982 and 121651 of the City
5 authorizing the issuance of the Bonds.

6 Capital Projects means those elements of the City’s capital improvement program identified
7 in Exhibit A of Ordinance 121982 and other City purposes approved by ordinance.

8 Refunded Bonds means the 1995 Refunded Bonds as such bonds are identified and defined in
9 Exhibit A attached hereto and by this reference incorporated herein.

10 Refunding Portion means that portion of the Bonds so identified in Exhibit B attached hereto
11 and by this reference incorporated herein.

12 Refunding Plan means:

13 (a) the placement of sufficient proceeds of the Bonds, which, with other money of the
14 City, if necessary, will acquire the Acquired Obligations to be deposited, with cash, if necessary,
15 with the Refunding Trustee; and

16 (b) the call, payment and redemption on July 1, 2006, of all of the outstanding 1995
17 Refunded Bonds at a price of 100% of par plus accrued interest.

18 Refunding Trust Agreement means the Refunding Trust Agreement between the City and the
19 Refunding Trustee relating to the Refunded Bonds, substantially in the form attached hereto as
20 Exhibit F.

21 Refunding Trustee means Wells Fargo Bank, National Association, serving as trustee or
22 escrow agent or any successor trustee or escrow agent.

23 The meanings of all other capitalized terms used and not otherwise defined in this resolution
24 shall be as set forth in the Bond Ordinances.

25 Section 2. The Bonds. The Bonds shall be called “The City of Seattle, Washington,
26 Limited Tax General Obligation Improvement and Refunding Bonds, 2006”; shall be issued in the

1 aggregate principal amount of \$24,905,000; shall be in the denomination of \$5,000 or any integral
2 multiple thereof within a single maturity; shall be dated the date of initial delivery; shall be
3 registered as to both principal and interest; and shall bear interest from their date until the Bonds
4 bearing such interest have been paid or their payment has been duly provided for, payable on the
5 first day of each March and September, commencing September 1, 2006.

6 The Bonds shall mature on March 1 of the following years and in the following amounts:

7	<u>Year</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
8	2007	\$1,460,000	4.000%
9	2008	1,530,000	4.000
10	2009	1,600,000	4.000
11	2010	1,665,000	4.000
12	2011	1,735,000	4.000
13	2012	1,815,000	5.000
14	2013	1,430,000	5.000
15	2014	1,515,000	5.500
16	2015	1,245,000	4.250
17	2016	1,295,000	4.250
18	2017	1,345,000	4.200
19	2018	1,405,000	4.250
20	2019	1,465,000	4.250
21	2020	1,530,000	4.250
22	2021	1,605,000	4.375
23	2022	440,000	4.375
24	2023	460,000	4.375
25	2024	480,000	4.375
26	**	**	**
	2026	885,000	4.500

19 Portions of the above maturity amounts are allocated to pay the respective costs of the
20 Capital Projects and of carrying out the Refunding Plan, including a ratable share of proceeds used
21 to pay the costs of issuance of the Bonds, in accordance with the schedule set forth in Exhibit B of
22 this resolution.

23 Section 3. Optional Redemption. Bonds maturing on or before March 1, 2016, shall be
24 issued without the right or option of the City to redeem those Bonds prior to their stated maturity
25 dates. The City reserves the right and option to redeem Bonds maturing on and after March 1, 2017,
26 prior to their stated maturity dates, at any time on and after March 1, 2016, as a whole or in part

1 (within one or more maturities to be selected by the City and randomly within a maturity in such
2 manner as the Bond Registrar shall determine), at a price of par plus accrued interest to the date
3 fixed for redemption.

4 Section 4. Mandatory Redemption. Bonds maturing in the year 2026 are designated as
5 Term Bonds and, if not redeemed under the optional redemption provisions set forth above or
6 purchased in the open market under the provisions set forth in Section 8(d) of the Bond Ordinances,
7 shall be called for redemption in accordance with Section 8(b) of the Bond Ordinances at par plus
8 accrued interest on March 1 in years and amounts as follows:

9 Term Bonds Maturing 2026

10	<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
11	2025	\$500,000
12	2026 ⁽¹⁾	385,000

13 ⁽¹⁾ maturity

14 Section 5. Form of Bonds. The Bonds shall be substantially in the form attached hereto
15 as Exhibit C and incorporated herein by this reference.

16 Section 6. Sale and Delivery of Bonds. The City finds that the sale and delivery of the
17 Bonds to Morgan Stanley DW Inc. (the "Purchaser"), at the interest rates and under the conditions
18 set forth in the Bond Ordinances, this resolution, the Notice of Bond Sale and Sample Bid Form
19 attached hereto as Exhibit D, and the electronic bid of the Purchaser, a printed version of which is
20 attached hereto as Exhibit E and by this reference incorporated herein, is in the City's best interest
21 and therefore ratifies, confirms and approves the award of the Bonds to the Purchaser.

22 Section 7. Authorization of Official Statement. The Director of Finance is hereby
23 authorized and directed to review and approve on behalf of the City a final official statement (the
24 "Official Statement") with respect to the Bonds, substantially in the form of the Preliminary Official
25 Statement and supplemented or amended as he, with the approval of bond counsel, deems necessary,
26 desirable, or appropriate.

1 Section 8. Use of Bond Proceeds; Refunding Plan. The principal proceeds of the Bonds
2 received by the City and, if necessary, other money of the City (the amounts to be determined by the
3 Director of Finance prior to the issuance of the Bonds) shall be applied as follows: (i) an amount
4 sufficient to carry out the Refunding Plan shall be deposited immediately upon the receipt thereof
5 with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded
6 Bonds under the Refunded Bond Legislation pursuant to the Refunding Plan, as defined herein and
7 modified or amplified by the Refunding Trust Agreement; and (ii) the balance of the Bond proceeds
8 shall be deposited in the 2006 Multipurpose LTGO Bond Fund created by Ordinance 121982 or
9 other funds, subfunds or accounts designated by the Director of Finance and used to pay the costs of
10 the Capital Projects, the costs of issuing the Bonds, and for any other purposes described by
11 ordinance.

12 The Refunding Plan shall be carried out, and proceeds of the Refunding Portion shall be
13 applied, in accordance with Ordinance 121651, the Refunded Bond Legislation, the Refunding Trust
14 Agreement, this resolution and the laws of the State.

15 Section 9. Call for Redemption of the Refunded Bonds. In accordance with Section 9 of
16 Ordinance 121651, as a part of the Refunding Plan the City calls the Refunded Bonds for redemption
17 on the call date and at the redemption price set forth in the Refunding Plan, plus accrued interest to
18 the date of redemption.

19 Such call for redemption shall be irrevocable after the delivery of the Bonds to the Purchaser.

20 The proper officials of the City are authorized and directed to give or cause to be given such
21 notices as are required, at the times and in the manner required, pursuant to the Refunded Bond
22 Legislation, in order to effect the redemption prior to their maturity of the Refunded Bonds.

23 Section 10. City Findings With Respect to Refunding. The City finds and determines that
24 the issuance and sale of the Refunding Portion will effect a savings to the City and will be in the best
25 interest of the City and in the public interest through the restructuring of debt service. In making
26 such finding and determination, the City has given consideration to the fixed maturities and

1 scheduled redemptions of the Refunding Portion and the Refunded Bonds and allocable costs of
2 issuance, and the known earned income from the investment of the proceeds of the issuance and sale
3 of the Refunding Portion and other money, if any, of the City used in the Refunding Plan pending
4 payment and redemption of the Refunded Bonds. The City further finds and determines that the
5 money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with
6 Ordinance 121651 and this resolution will discharge and satisfy the obligations of the City with
7 respect to the Refunded Bonds under the Refunded Bond Legislation, and the pledges, charges,
8 trusts, covenants and agreements of the City therein made or provided for as to the Refunded Bonds,
9 and that the Refunded Bonds shall no longer be deemed to be outstanding under such Refunded
10 Bond Legislation immediately upon the deposit of such money with the Refunding Trustee.

11 Section 11. Appointment of Refunding Trustee and Authorization of Refunding Trust
12 Agreement. Wells Fargo Bank, National Association, is appointed as Refunding Trustee. The
13 Director of Finance is authorized and directed to execute and deliver to the Refunding Trustee the
14 Refunding Trust Agreement with such modifications as the Director of Finance determines are
15 necessary and appropriate and are consistent with Ordinance 121651 and this resolution.

16 Section 12. Undertaking to Provide Continuing Disclosure. This Section constitutes the
17 written undertaking (the "Undertaking") for the benefit of the holders of the Bonds as required by
18 United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), and
19 pursuant to the Bond Ordinances. For purposes of this undertaking, the term "holders of the Bonds"
20 shall have the meaning intended for such term under the Rule.

21 The City as an "obligated person" within the meaning of the Rule undertakes to provide or
22 cause to be provided, either directly or through a designated agent:

- 23 (a) To each nationally recognized municipal securities information repository
24 designated by the SEC in accordance with the Rule (each "NRMSIR"), and to a state
25 information depository, if one is established in the State of Washington and recognized by
26 the SEC (the "SID"), annual financial information and operating data of the type included in

1 the Official Statement for the Bonds as follows: (i) annual financial statements of the City,
2 prepared in accordance with generally accepted accounting principles applicable to
3 governmental units (except as otherwise noted herein), as such principles may be changed
4 from time to time and as permitted by State law, which financial statements will not be
5 audited, except that if and when audited financial statements are otherwise prepared and
6 available to the City they will be provided; (ii) a statement of authorized, issued and
7 outstanding general obligation debt of the City; (iii) the assessed value of the property within
8 the City subject to ad valorem taxation; and (iv) ad valorem tax levy rates and amounts and
9 percentage of taxes collected.

10 Annual financial information, as described above, will be provided to each NRMSIR
11 and the SID, not later than the last day of the ninth month after the end of each fiscal year of
12 the City, as such fiscal year may be changed as permitted or required by State law,
13 commencing with the City's fiscal year ending December 31, 2005. The annual financial
14 information may be provided in a single or in multiple documents, and may be incorporated
15 by reference from other documents, including official statements of debt issues with respect
16 to which the City is an obligated person as defined by the Rule, which documents have been
17 filed with each NRMSIR and the SID. If the document incorporated by reference is a "final
18 official statement" it must be available from the Municipal Securities Rulemaking Board
19 ("MSRB").

20 (b) To each NRMSIR or to the MSRB, and to the SID, timely notice of the
21 occurrence of any of the following events with respect to the Bonds, if material: (i) principal
22 and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled
23 draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on
24 credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity
25 providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-
26 exempt status of the Bonds; (vii) modifications to the rights of the holders of the Bonds;

1 (viii) Bond calls (other than scheduled mandatory redemptions of Term Bonds);
2 (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the
3 Bonds; and (xi) rating changes.

4 (c) To each NRMSIR or to the MSRB and to the SID timely notice of a failure by
5 the City to provide required annual financial information on or before the date specified in
6 paragraph (a) above.

7 This Undertaking may be amended without the consent of any holder of any Bond, any
8 broker, dealer, municipal securities dealer, participating underwriter, rating agency, NRMSIR, the
9 SID or the MSRB, under the circumstances and in the manner permitted by the Rule. The City will
10 give notice to each NRMSIR or the MSRB, and to the SID, of the substance (or provide a copy) of
11 any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the
12 amendment changes the type of annual financial information to be provided, the annual financial
13 information containing the amended information will include a narrative explanation of the effect of
14 that change on the type of information being provided.

15 If the City fails to comply with this Undertaking, the City will proceed with due diligence to
16 cause such noncompliance to be corrected as soon as practicable after the City learns of that failure.
17 No failure by the City or other obligated person to comply with this Undertaking shall constitute a
18 default with respect to the Bonds. The sole remedy of any holder of a Bond will be to take such
19 actions as that holder deems necessary and appropriate to compel the City or other obligated person
20 to comply with this Undertaking.

21 At its option and to the extent authorized by the SEC, the City may make any filing under
22 this Undertaking by transmitting the required filing using <http://www.disclosureusa.org> (or such
23 other centralized agent as may be approved by the SEC).

24 Section 13. Termination of Undertaking. The City's obligations under the Undertaking
25 described in Section 12 of this resolution shall terminate upon the legal defeasance, prior
26 redemption, or payment in full of all of the then outstanding Bonds. In addition, the Undertaking, or

1 any provision thereof, will be null and void if the City (i) obtains an opinion of nationally recognized
2 bond counsel or other counsel familiar with federal securities laws to the effect that those portions of
3 the Rule which require the City to comply with the Undertaking, or any such provision, are invalid,
4 have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the SID and
5 either the MSRB or each then existing NRMSIR of such termination.

6 Section 14. General Authorization. The Mayor and the Director of Finance and each of
7 the other appropriate officers of the City are each authorized and directed to do everything as in their
8 judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions
9 of, and complete the transactions contemplated by, the Bond Ordinances and this resolution.

10 Section 15. Severability. The provisions of this resolution are declared to be separate and
11 severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal
12 periods having run, finds any provision of this resolution to be invalid or unenforceable as to any
13 person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be
14 within the limits of enforceability or validity. However, if the offending provision cannot be so
15 modified, it shall be null and void with respect to the particular person or circumstance, and all other
16 provisions of this resolution in all other respects, and the offending provision with respect to all
17 other persons and all other circumstances, shall remain valid and enforceable.

18 Section 16. Ratification of Prior Acts. All acts taken pursuant to the authority of this
19 resolution but prior to its effective date are ratified, approved and confirmed.

EXHIBIT A
Refunded Bonds

Designation/ Name of Issue	Refunded Bond Legislation	Date of Issue	Original Principal Amount	Principal Amount Refunded	Maturities to be Refunded "Refunded Bonds"	Redemption Date And Redemption Price
1995 Refunded Bonds* Limited Tax General Obligation Bonds, 1995	Ordinance 117901 Resolution 29261	12/1/1995	\$28,670,000	\$2,215,000*	7/1/2007 through 7/1/2012; and 7/1/2015	7/1/2006@ 100%

*New money portion only, partial maturities

EXHIBIT B

Allocation of Bonds

<u>Maturity Year</u>	<u>Capital Projects</u>	<u>1995 Refunded Bonds</u>
2007	\$1,230,000	\$230,000
2008	1,295,000	235,000
2009	1,350,000	250,000
2010	1,400,000	265,000
2011	1,455,000	280,000
2012	1,520,000	295,000
2013	1,120,000	310,000
2014	1,185,000	330,000
2015	1,245,000	--
2016	1,295,000	--
2017	1,345,000	--
2018	1,405,000	--
2019	1,465,000	--
2020	1,530,000	--
2021	1,605,000	--
2022	440,000	--
2023	460,000	--
2024	480,000	--
**	**	**
2026	885,000	--

EXHIBIT C

Bond Form

No. R- _____

\$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF WASHINGTON

THE CITY OF SEATTLE

LIMITED TAX GENERAL OBLIGATION
IMPROVEMENT AND REFUNDING BOND, 2006

INTEREST RATE:

MATURITY DATE:

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount: [_____] DOLLARS.

THE CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of Washington, for value received, promises to pay the Registered Owner identified above on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the later of the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, payable semiannually on each March 1 and September 1, commencing September 1, 2006, to the maturity or earlier redemption of this Bond. If this Bond is duly presented for payment and not paid on its maturity or call date, then interest shall continue to accrue at the Interest Rate identified above until this Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Account and this Bond has been called for payment by giving notice to the Registered Owner.

Principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Principal of and premium, if any, are payable only to the Registered

1 Owner upon presentation and surrender of this Bond at the principal office of the fiscal agency of the
2 City (presently The Bank of New York, New York, New York) or such other paying agents as
3 designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar").
4 Payment of each installment of interest shall be made to the Registered Owner whose name appears
5 on the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the
6 close of business on the 15th day of the month next preceding the interest payment date (the "Record
7 Date") and shall be paid by check or draft of the Bond Registrar mailed on the interest payment date
8 to the Registered Owner at the address appearing on the Bond Register or, when requested in writing
9 to the Bond Registrar before the applicable Record Date by the Registered Owner of \$1,000,000 or
10 more in principal amount of the Bonds, by wire transfer on the interest payment date.
11 Notwithstanding the foregoing, as long as this Bond is registered in the name of Cede & Co., as
12 nominee of The Depository Trust Company ("DTC"), payment of principal, premium, if any, and
13 interest shall be made as provided in the Letter of Representations.

8 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington,
9 Limited Tax General Obligation Improvement and Refunding Bonds, 2006, aggregating \$24,905,000
10 in principal amount. The Bonds mature on March 1 in the years 2007 through 2024, inclusive, and
11 in the year 2026, and are of like date, tenor and effect, except as to numbers, denominations, options
12 of redemption, maturity dates and interest rates. The Bonds are issued by the City pursuant to
13 Ordinances 121982 and 121651 and Resolution 30861 of the City (collectively, the "Bond
14 Legislation") for the purpose of providing all or part of the funds to pay the costs of various projects
15 and to refund certain outstanding bonds of the City, including the costs of issuing and selling the
16 Bonds, all as provided in the Bond Legislation. The Bonds are issued in fully registered form in the
17 denomination of \$5,000 or any integral multiple thereof within a single maturity.

14 For as long as any of the Bonds are outstanding, the City has pledged irrevocably to include
15 in its budget and levy taxes annually within the constitutional and statutory tax limitations provided
16 by law without a vote of the electors of the City on all of the taxable property within the City in an
17 amount sufficient, together with other money legally available and to be used therefor, to pay when
18 due the principal of and interest on the Bonds, and the full faith, credit, and resources of the City
19 have been pledged irrevocably for the annual levy and collection of those taxes and the prompt
20 payment of that principal and interest.

18 Bonds maturing on or before March 1, 2016, are issued without the right or option of the City
19 to redeem those Bonds prior to their stated maturity dates. The City reserves the right and option to
20 redeem Bonds maturing on and after March 1, 2017, prior to their stated maturity dates, at any time
21 on or after March 1, 2016, as a whole or in part (within one or more maturities to be selected by the
22 City and randomly within a maturity in such manner as the Bond Registrar shall determine), at a
23 price of par plus accrued interest, if any, to the dated fixed for redemption.

21 Bonds maturing in the year 2026 are Term Bonds and, if not redeemed under the optional
22 redemption provisions set forth above or purchased in the open market under the provisions set forth
23 below, shall be called for redemption by lot (in such manner as the Bond Registrar shall determine)
24 at par plus accrued interest on March 1 in years and amounts as follows:
25
26

Term Bonds Maturing 2026

	<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
	2025	\$500,000
	2026 ⁽¹⁾	385,000

⁽¹⁾ maturity

The par amount of the Term Bonds previously redeemed by call or purchased in the open market (irrespective of their actual redemption prices) shall be credited at the par amount thereof against the remaining mandatory redemption requirements as directed by the Director of Finance, or otherwise pursuant to the Bond Legislation.

Notwithstanding the foregoing, for so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, selection of Bonds for redemption shall be in accordance with the Letter of Representations.

Any Bond in a principal amount greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of that Bond at either of the principal offices of the Bond Registrar, there shall be issued to the Registered Owner a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate in any of the denominations authorized by the Bond Legislation in the aggregate principal amount remaining unredeemed, without charge therefor.

Notice of any such intended redemption shall be sent by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and this requirement shall be deemed to be complied with when notice is so mailed, whether or not it is actually received by the owner of any Bond. If such notice has been given, this Bond will cease to bear interest on the date fixed for redemption, provided that funds sufficient to pay all Bonds called for redemption are on deposit with the Bond Registrar on such date, and this Bond shall no longer be deemed outstanding. In addition, the redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., at their offices in New York, New York, or their successors, and to such other persons and with such additional information as the Director of Finance shall determine, but such mailings shall not be a condition precedent to the redemption of such Bonds. Notwithstanding the foregoing, for so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, notice of redemption shall be given in accordance with the Letter of Representations.

The City has further reserved the right and option to purchase any or all of the Bonds in the open market at any time at a price acceptable to the City plus accrued interest to the date of such purchase. Bonds so purchased shall be retired and canceled.

Reference is made to the Bond Legislation for other covenants and declarations of the City and other terms and conditions upon which this Bond has been issued, which terms and conditions, including, but not limited to, terms pertaining to defeasance, are made a part hereof by this reference. Reference also is made to the Bond Legislation for the definitions of the capitalized terms used and not otherwise defined herein. The City irrevocably and unconditionally covenants that it will keep and perform all of the covenants of this Bond and of the Bond Legislation.

1 This Bond shall not be valid or become obligatory for any purpose until the Certificate of
2 Authentication hereon has been signed by the Bond Registrar.

3 The principal of and premium, if any, and interest on this Bond shall be paid only to the
4 Registered Owner as of the Record Date set forth above and to no other person or entity, and this
5 Bond may not be assigned except on the Bond Register.

6 In the manner and subject to the limitations set forth in the Bond Legislation, this Bond may
7 be transferred by the Registered Owner or by such Owner's authorized agent at the Bond Registrar
8 on completion of the assignment form appearing hereon and surrender and cancellation of this Bond.
9 Upon such transfer, a new Bond (or Bonds, at the option of the new Registered Owner) of an equal
10 aggregate principal amount and of the same maturity and interest rate in any authorized
11 denomination will be issued to the new Registered Owner, without charge, in exchange therefor.
12 This Bond and other Bonds may be surrendered to the Bond Registrar and exchanged, without
13 charge, for an equal aggregate principal amount of Bonds of the same maturity and interest rate in
14 any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any
15 Bond during the period between the record date and the next succeeding principal or interest
16 payment or redemption date.

17 The City and the Bond Registrar may deem and treat the Registered Owner of this Bond as
18 its absolute owner for the purpose of receiving payment of principal, premium, if any, and interest
19 and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice
20 to the contrary other than proper notice of assignment. As used herein, "Registered Owner" means
21 the person or entity named as Registered Owner of this Bond on the front hereof and on the Bond
22 Register.

23 It is certified and declared that all acts, conditions and things required to be done precedent to
24 and in the issuance of this Bond have been done, have happened and have been performed as
25 required by law, and that the total indebtedness of the City, including the Bonds, does not exceed
26 any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the
City by the facsimile signatures of its Mayor and Director of Finance and a facsimile reproduction of
the seal of the City to be printed hereon, this _____ day of April, 2006.

THE CITY OF SEATTLE, WASHINGTON

1 Date of Authentication: _____

2
3 **CERTIFICATE OF AUTHENTICATION**

4 This Bond is one of the fully registered The City of Seattle, Washington, Limited Tax
5 General Obligation Improvement and Refunding Bonds, 2006, described in the Bond Legislation.

6 **WASHINGTON STATE FISCAL AGENCY**
7 **Bond Registrar**

8 By: _____

9 **ASSIGNMENT**

10 For value received, the undersigned Registered Owner does sell, assign and transfer unto:

11 _____
(Name, address and social security or other identifying number of assignee)

12 the within-mentioned Bond and irrevocably constitutes and appoints: _____

13 to transfer the same on the Bond Register with full power of substitution in the premises.

14 DATED: _____

15
16 _____
Registered Owner

17 (NOTE: The signature above must correspond with the name of the
18 Registered Owner as it appears on the front of this Bond in every
particular, without alteration or enlargement or any change whatsoever.)

19 Signature Guaranteed:

20 _____
21 (NOTE: Signature must be guaranteed
22 pursuant to law.)
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EXHIBIT D

Notice of Bond Sale and Sample Bid Form

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Term Bonds, if any, must consist of the total principal payments of two or more consecutive years and mature in the latest of those years. Bonds subject to optional redemption by the City may not be grouped with Bonds not subject to optional redemption by the City when creating any single maturity of Term Bonds.

Due March 1	Serial Maturities or Amortization Installments ⁽¹⁾	Due March 1	Serial Maturities or Amortization Installments ⁽¹⁾
2007	\$ 1,420,000	2017	\$ 1,300,000 ⁽²⁾
2008	1,480,000	2018	1,370,000 ⁽²⁾
2009	1,545,000	2019	1,440,000 ⁽²⁾
2010	1,625,000	2020	1,510,000 ⁽²⁾
2011	1,705,000	2021	1,585,000 ⁽²⁾
2012	1,785,000	2022	435,000 ⁽²⁾
2013	1,385,000	2023	460,000 ⁽²⁾
2014	1,460,000	2024	480,000 ⁽²⁾
2015	1,185,000	2025	505,000 ⁽²⁾
2016	1,245,000	2026	385,000 ⁽²⁾

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the Bonds unless Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of Term Bonds.

Redemption

The Bonds maturing on or before March 1, 2016, are not subject to redemption prior to maturity. The City reserves the right and option to redeem Bonds maturing on or after March 1, 2017, prior to their stated maturity dates, at any time on and after March 1, 2016, as a whole or in part (within one or more maturities to be selected by the City and randomly within a maturity in such manner as the Bond Registrar may determine), at a price of par plus accrued interest to the date fixed for redemption.

Security

The Bonds are general obligations of the City. The Bonds are secured by the City's irrevocable pledge to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds. The full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of the taxes pledged to the Bonds and the prompt payment of the principal of and interest on the Bonds.

THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE OF WASHINGTON OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE CITY.

BIDDING INFORMATION AND AWARD

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that the Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of one percent, or both. No more than one rate of interest may be fixed for any one maturity.

No bid will be considered for the Bonds that is less than an amount equal to par nor more than an amount equal to 106 percent of the par value of the Bonds or for less than the entire offering of the Bonds. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity. For the purpose of the preceding sentence, "price" shall be defined as the lesser of the price at the redemption date or the price at the maturity date. All bids shall be without condition.

1 For the purpose of comparison only and not as a part of the bid, each bid shall state the true interest cost of the bid.
2 The City strongly encourages the inclusion of Women and Minority Business Enterprise firms in bidding syndicates.

3 **Adjustment of Principal Amounts Before Bid Opening**

4 Bidders are advised that the City may increase or decrease the total principal amount of the Bonds and/or the amounts of
5 individual maturities stated in this Official Notice of Bond Sale and in the Sample Bid Form (attached) prior to the
6 bidding. Reasons for this change could include, but are not limited to, the City's decision to alter or not to proceed with
7 the Refunding Plan (as described in the Preliminary Official Statement under "Use of Proceeds—Refunding Plan"). If
8 such changes are made, they will be reflected in the Official Bid Form to be made available by the City.

6 **Bidding Process**

7 *Electronic Bids.* If a bidder submits an electronic bid for the Bonds, such bidder thereby agrees to the following terms
8 and conditions:

- 9 (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided to or required
10 of the bidder by Parity, this Official Notice of Bond Sale (including any amendments issued by the City through
11 a wire service) and the Official Bid Form shall control. Information provided by Parity to bidders shall form no
12 part of any bid or of any contract between the successful bidder and the City unless that information is included
13 in this Official Notice of Bond Sale or in the Official Bid Form to be made available by the City.
- 14 (ii) The bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting
15 a timely bid that is in compliance with this Official Notice of Bond Sale (including any amendments issued by
16 the City through a wire service) and with the Official Bid Form to be made available by the City.
- 17 (iii) The City shall have no duty or obligation to provide or assure access to Parity, and shall not be responsible for
18 the proper operation of Parity or have any liability for any delays or interruptions of, or any damages caused by,
19 use or attempted use of Parity.
- 20 (iv) Parity is not the City's agent, but rather is an acceptable bidder's agent for the bidder's convenience in
21 submitting its bid to the City.
- 22 (v) The City will regard the electronic transmission of each bid it receives through Parity (including information
23 regarding the purchase price of the Bonds and interest rates for any maturity of the Bonds) as being submitted
24 on the Official Bid Form to be made available by the City and executed on behalf of the named bidder by a duly
25 authorized signatory.
- 26 (vi) If an electronic bid is accepted by the City, this Official Notice of Bond Sale (including any amendments issued
by the City through a wire service), the Official Bid Form to be made available by the City and the information
regarding the purchase price of the Bonds, any Term Bonds specified and the interest rates for any maturity of
the Bonds that is submitted electronically to the City through Parity shall form a contract between the bidder
and the City, and the bidder shall be bound by the terms of such contract whether or not the bidder in fact
attempted or intended to submit a bid on those terms.

22 *Sealed Bids.* All sealed bids shall be made only on the Official Bid Form to be furnished by the City or on photocopies
23 or facsimiles of such form, and shall be sealed. Bids must not be submitted by fax directly to the City, but may be sent
24 via fax to an agent for the bidder, for delivery by that agent to the bid site in a sealed envelope.

23 **Bid Forms**

24 A Sample Bid Form is attached following this Official Notice of Sale, but that sample is *not* the City's Official Bid
25 Form. The Official Bid Form will be made available at least 24 hours prior to the time the bids are to be received. The
26 City will provide the Official Bid Form to Parity. The Official Bid Form also can be obtained through either the City's
Debt Manager, Michael Van Dyck, at (206) 684-8347, or the City's Financial Advisor, Seattle-Northwest Securities
Corporation, at (206) 628-2898.

1 **Good Faith Deposit**

2 All bids must be backed by a good faith deposit in the amount of \$240,000. The good faith deposit shall be in the form
3 of either a financial surety bond or a certified or bank cashier's check, each payable to the order of The City of Seattle
4 and received by the City not later than the time bids are to be received. Each such check will be returned promptly if the
5 bid is not accepted. The City reserves the right to invest the deposit of the successful bidder pending payment for the
6 Bonds, and the successful bidder will not receive credit for any earnings on such investment. The deposit will be applied
7 to the purchase price of the Bonds.

8 If a financial surety bond is used, it must be from a surety company pre-approved by the City. The City has pre-
9 approved Financial Security Assurance Inc. Acknowledgement that such financial surety bond has been issued must be
10 received by the City's Financial Advisor prior to the bid opening and must identify each bidder whose deposit is
11 guaranteed. If the Bonds are awarded to a bidder using a financial surety bond, that bidder shall submit its good faith
12 deposit to the City in the form of a certified or bank cashier's check or by wire transfer, no later than 2:00 p.m., Pacific
13 Time, on the next business day following the award. If the deposit in such form is not received by that time, the City
14 may draw on the financial surety bond to satisfy the deposit requirement. If the financial surety bond is called upon and
15 the City has not received the good faith deposit in such form from the surety company that provided the bond within two
16 business days following the bid award, the City may cancel the bid award and have no further obligation to that bidder.
17 The City may, in addition and without limitation, take such steps as it deems appropriate against the provider of the
18 financial surety bond or the successful bidder or both to obtain the amount of the good faith deposit and, in the event the
19 City cancels the bid award, retain the recovered amount as reasonable liquidated damages and not as a penalty.

20 The good faith deposit of the successful bidder shall be retained by the City as security for the performance of the
21 successful bid and shall be applied to the purchase price of the Bonds upon the delivery of the Bonds to the successful
22 bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the City. If the
23 Bonds are ready for delivery and the successful bidder fails or neglects to complete the purchase of the Bonds within
24 45 days following the acceptance of its bid, the good faith deposit shall be retained by the City as reasonable liquidated
25 damages and not as a penalty.

26 **Award**

The Bonds will be sold to the bidder making a bid conforming to the terms of the offering and which, on the basis of the
City's determination of the lowest true interest cost, is the best bid. The true interest cost to the City will be the rate that,
when used to discount to the date of the Bonds all future payments of principal and interest (using semiannual
compounding and a 30/360 day basis), produces an amount equal to the bid amount. If there are two or more equal bids
and those bids are the best bids received, the Director of Finance will determine by lot which bid will be presented to the
City Council.

The City reserves the right to reject any or all bids submitted and to waive any formality or irregularity in the bid or
bidding process. If all bids are rejected, then the Bonds may be sold in the manner provided by law. Any bid presented
after the time specified for the receipt of bids will not be accepted, and any bid not backed by the required good faith
deposit at the time of opening that bid will not be read or considered. The successful bid shall remain in effect until 5:00
p.m., Pacific Time, on the date following such bid opening.

Adjustment of Principal Amounts and Bid Price After Bid Opening

The City has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not
to exceed ten percent (10%) following the opening of the bids. The City also reserves the right to increase or decrease
the preliminary principal amount of any maturity shown on the Official Bid Form by an amount not to exceed the greater
of \$100,000 or fifteen percent (15%) of the preliminary principal amount of that maturity. The price bid by the
successful bidder will be adjusted by the City on a proportionate basis to reflect an increase or decrease in the principal
amount and maturity schedule within 24 hours after the bid opening. In the event that the City elects to alter the bond
size after the bid pursuant to the Official Notice of Sale, the underwriter's discount, expressed in dollars per thousand,
will be held constant. The City will not be responsible in the event and to the extent that any adjustment affects (i) the

1 net compensation to be realized by each successful bidder or (ii) the true interest cost of the winning bid or its ranking
2 relative to other bids.

3 **Issue Price Information**

4 Upon award of the Bonds, the successful bidder shall advise the City and Bond Counsel of the initial reoffering prices to
5 the public of each maturity of the Bonds (the "Initial Reoffering Prices"), for the City's inclusion in the final Official
6 Statement for the Bonds. Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the
7 City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- 8 (i) confirming the Initial Reoffering Prices,
- 9 (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers
10 and other intermediaries),
- 11 (iii) stating the prices at which a substantial amount of each maturity of the Bonds was sold to the public (excluding
12 bond houses, brokers and other intermediaries),
- 13 (iv) stating the price at which any Bonds that remain unsold at the date of closing would have been sold on such
14 date,
- 15 (v) stating which maturities, if any, are amortization installments of Term Bonds maturing in the years specified by
16 the bidder, and
- 17 (vi) stating the offering price of each Bond sold to institutional or other investors at discount.

18 **Insurance**

19 Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement, or upon City
20 acceptance of the terms of insurance or other credit enhancement. If the Bonds qualify for issuance of any policy of
21 municipal bond insurance or commitment therefor, any purchase of such insurance or commitment therefor shall be at
22 the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such
23 insurance, unless otherwise paid, shall be paid by such bidder, but shall not, in any event, be paid by the City. Any
24 failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the
25 purchaser of its contractual obligations arising from the City's acceptance of such purchaser's bid for the Bonds.

26 **Modifications**

The terms and conditions of this Official Notice of Bond Sale are subject to modification by the Director of Finance.
Any such modification will be communicated by wire service not less than 24 hours prior to the time the bids are to be
received.

DELIVERY

The City will deliver the Bonds (consisting of one certificate for each maturity) to DTC in New York, New York, or to
the Bond Register on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing shall
occur within 45 days after the sale date. Settlement shall be in immediately available federal funds in Seattle,
Washington, on the date of delivery.

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 Official
Statement for the Bonds, 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.

1 **Legal Opinion**

2 The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, will be provided to the
3 purchaser of the Bonds at the time of the delivery of the Bonds. A no-litigation certificate will be included in the closing
4 documents of the Bonds.

4 **CUSIP Numbers**

5 It is anticipated that CUSIP identification numbers will appear on the Bonds if requested by the purchaser, but neither the
6 failure to insert such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or
7 refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official
8 Notice of Bond Sale. The purchaser is responsible for obtaining CUSIP numbers for the Bonds, and the charge of the
9 CUSIP Bureau shall be paid by the purchaser.

7 **CONTINUING DISCLOSURE UNDERTAKING**

8 In order to assist bidders in complying with paragraph (b)(5) of SEC Rule 15c2-12, the City will undertake to provide
9 certain annual financial information and notices of the occurrence of certain events, if material. A description of this
10 undertaking is set forth in the Preliminary Official Statement and also will be set forth in the final Official Statement.

10 **OFFICIAL STATEMENT AND OTHER INFORMATION**

11 At closing, the City will furnish a certificate of an official or officials of the City, relying on the opinions of Bond
12 Counsel where appropriate, stating that, to the best knowledge of such official(s) as of the date of the Official Statement
13 and as of the date of delivery of the Bonds,

- 13 (i) the information (including financial information) regarding the City contained in the Official Statement was and
14 is true and correct in all material respects and did not and does not contain any untrue statement of a material
15 fact or omit any statement or information which is necessary to make the statements therein, in light of the
16 circumstances under which they were made, not misleading (however, the City will make no representation
17 regarding Bond Counsel's form of opinion or the information provided by DTC, The Bank of New York or any
18 entity providing bond insurance, reserve insurance or other credit facility); and
- 16 (ii) the descriptions and statements, including financial data, of or pertaining to other bodies and their activities
17 contained in the Official Statement have been obtained from sources that the City believes to be reliable and the
18 City has no reason to believe that they are untrue in any material respect.

18 The Preliminary Official Statement is in a form that has been deemed final by the City for the purpose of paragraph
19 (b)(1) of SEC Rule 15c2-12, but is subject to revision, amendment and completion in a final Official Statement, which
20 the City will deliver, at the City's expense, to the purchaser through its designated representative not later than seven
21 business days after the City's acceptance of the purchaser's bid. The City will provide no more than 250 copies of the
22 final Official Statement without charge. Additional copies will be provided at the purchaser's expense.

20 By submitting the successful bid, the purchaser's designated senior representative agrees to file the final Official
21 Statement or cause it to be filed with the Municipal Securities Rulemaking Board within one business day following its
22 receipt from the City.

1 The Preliminary Official Statement (with the Official Notice of Bond Sale) and further information regarding the details
2 of the Bonds may be obtained upon request to the City's Debt Manager, 600 Fourth Avenue, Sixth Floor, Seattle,
3 Washington, 98124-4747 (telephone: (206) 684-8347) or to Seattle-Northwest Securities Corporation, 1420 Fifth
4 Avenue, Suite 4300, Seattle, Washington, 98101 (telephone: (206) 628-2882).

5 DATED at Seattle, Washington, this 31st day of March, 2006.

6 /s/ _____
7 Dwight D. Dively
8 Director of Finance
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SAMPLE BID FORM

This is a Sample Bid Form. The Official Bid Form will be available 24 hours prior to the time the bids are to be received. The City will provide the Official Bid Form to Parity. The Official Bid Form also can be obtained through either the City's Debt Manager, Michael Van Dyck, at (206) 684-8347 or the City's Financial Advisor, Seattle-Northwest Securities Corporation, at (206) 628-2898.

\$24,305,000⁽¹⁾

THE CITY OF SEATTLE, WASHINGTON

LIMITED TAX GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, 2006

Mr. Dwight D. Dively
 Director of Finance
 The City of Seattle
 Seattle, Washington

Dear Sir:

For the above-referenced bonds (the "Bonds") described in the Official Notice of Bond Sale, which is hereby made a part of this bid, and for all but not less than all of the Bonds, with interest rates per annum on the Bonds maturing in the years and amounts set forth in this Official Bid Form as indicated below:

Due March 1	Serial Maturities or Amortization Amounts⁽¹⁾	Rates	Due March 1	Serial Maturities or Amortization Amounts⁽¹⁾	Rates
2007	\$1,420,000	_____	2017	\$1,300,000 ⁽²⁾	_____
2008	1,480,000	_____	2018	1,370,000 ⁽²⁾	_____
2009	1,545,000	_____	2019	1,440,000 ⁽²⁾	_____
2010	1,625,000	_____	2020	1,510,000 ⁽²⁾	_____
2011	1,705,000	_____	2021	1,585,000 ⁽²⁾	_____
2012	1,785,000	_____	2022	435,000 ⁽²⁾	_____
2013	1,385,000	_____	2023	460,000 ⁽²⁾	_____
2014	1,460,000	_____	2024	480,000 ⁽²⁾	_____
2015	1,185,000	_____	2025	505,000 ⁽²⁾	_____
2016	1,245,000	_____	2026	385,000 ⁽²⁾	_____

we offer to pay the sum of \$ _____
 (which is not less than \$ _____⁽¹⁾ nor more than \$ _____⁽¹⁾).

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the Bonds unless Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of Term Bonds.

1 In accordance with the terms of the Official Notice of Bond Sale, a good faith deposit in the amount of \$240,000 has
2 been provided in the form of either a certified or bank cashier's check or a financial surety bond, each payable to the
3 order of The City of Seattle. The good faith deposit is to be applied in accordance with the terms of the Official Notice
4 of Bond Sale if the Bonds are awarded to us. If the Bonds are not awarded to us and a check has been submitted, such
5 check is to be returned to us. If the Bonds are not awarded to us and we provided the good faith deposit in the form of a
6 surety bond, neither we nor the City have any further obligations with respect to the surety bond.

7 This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale,
8 including any amendments issued by wire service and, if applicable, the terms and conditions contained therein under
9 "Bidding Process—Electronic Bids," which is incorporated by reference herein and made a part of this bid.

10 If our bid to purchase the Bonds is successful, the person at the designated senior representative's office whom the City
11 or its representatives should contact regarding closing is _____ at the following telephone number:
12 _____

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Very truly yours,

Designated Representative
Representing:

EXHIBIT E

Printed Version of Purchaser's Electronic Bid for the Bonds

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08:03:04 a.m. PDST [Upcoming Calendar](#) [Overview](#) [Compare](#) [Summary](#)

Bid Results

Seattle
\$24,305,000 Limited Tax General Obligation Improvement
and Refunding Bonds, 2006

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	Morgan Stanley	4.255813
<input type="checkbox"/>	Merrill Lynch & Co.	4.288949
<input type="checkbox"/>	Piper Jaffray	4.297848
<input type="checkbox"/>	LaSalle Financial Services, Inc.	4.299732
<input type="checkbox"/>	UBS Securities LLC	4.317762
<input type="checkbox"/>	Banc of America Securities LLC	4.323472

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**Morgan Stanley - San Francisco , CA's Bid
Seattle
\$24,305,000 Limited Tax General Obligation Improvement
and Refunding Bonds, 2006**



For the aggregate principal amount of \$24,305,000.00, we will pay you \$24,560,202.50, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
03/01/2007	1,420M	4.0000
03/01/2008	1,480M	4.0000
03/01/2009	1,545M	4.0000
03/01/2010	1,625M	4.0000
03/01/2011	1,705M	4.0000
03/01/2012	1,785M	5.0000
03/01/2013	1,385M	5.0000
03/01/2014	1,460M	5.5000
03/01/2015	1,185M	4.2500
03/01/2016	1,245M	4.2500
03/01/2017	1,300M	4.2000
03/01/2018	1,370M	4.2500
03/01/2019	1,440M	4.2500
03/01/2020	1,510M	4.2500
03/01/2021	1,585M	4.3750
03/01/2022	435M	4.3750
03/01/2023	460M	4.3750
03/01/2024	480M	4.3750
03/01/2025		
03/01/2026	890M	4.5000

Total Interest Cost: \$9,280,973.26
Premium: \$255,202.50
Net Interest Cost: \$9,025,770.76
TIC: 4.255813
Time Last Bid Received On: 04/06/2006 7:59:41 PDST

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

Bidder: Morgan Stanley, San Francisco , CA
Contact: MICHAEL COCHRANE
Title: SVP MANAGER
Telephone: 415-693-6393
Fax: 415-788-3520

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBid...> 4/6/2006

EXHIBIT F

REFUNDING TRUST AGREEMENT
(Limited Tax General Obligation Improvement and
Refunding Bonds, 2006)

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DRAFT DATED APRIL 6, 2006

REFUNDING TRUST AGREEMENT

THIS AGREEMENT is made and entered into as of the ___ day of April, 2006, by and between THE CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation, and WELLS FARGO BANK, NATIONAL ASSOCIATION, of Portland, Oregon (the "Refunding Trustee"). All capitalized terms not defined herein have the respective meanings given in Ordinances 121982 and 121651 and Resolution 30861 of the City (collectively, the "Bond Legislation"). All schedules and attachments attached hereto are incorporated herein by reference.

WHEREAS, the City now has outstanding the Refunded Bonds described in Schedule 1 attached hereto; and

WHEREAS, pursuant to the Bond Legislation, the City has determined that the Refunded Bonds be refunded out of a portion of the proceeds of the sale of its Limited Tax General Obligation Improvement and Refunding Bonds, 2006 (the "Bonds"), for the purpose of realizing a debt service savings for the City; and

WHEREAS, the payment, through a current refunding of the 1995 Refunded Bonds, will be accomplished pursuant to this Refunding Trust Agreement and the Bond Legislation, which documents provide for and, for the purpose of Sections 103, 148, and 149(d) of the Internal Revenue Code of 1986, as amended (the "Code"), are to be considered as the Refunding Plan, by:

(a) The delivery by the City to the Refunding Trustee on the date the Bonds are delivered to the original purchaser thereof and the City receives full payment therefor (the "Date of Closing"), of the proceeds of the Bonds allocated to the Refunding Plan;

(b) The purchase by the Refunding Trustee on the Date of Closing of the noncallable direct obligations of the United States of America listed on Attachment A attached hereto and made a part hereof by this reference (the "Acquired Obligations"), which Acquired Obligations satisfy the requirements of the Verification described in paragraph (c);

(c) The delivery to the City and the Refunding Trustee of a verification (the "Verification") by a nationally recognized independent certified public accounting firm verifying the mathematical accuracy of the computations (which computations shall be attached to that report) showing that the Acquired Obligations to be purchased by the Refunding Trustee pursuant to the Bond Legislation and this Refunding Trust Agreement, together with the specified beginning cash balance, if any, and the maturing principal of and interest on such Acquired Obligations, will provide sufficient money (assuming that all principal of and interest on the Acquired Obligations are paid on the due dates thereof and assuming no reinvestment of such maturing principal and interest) to call, pay and redeem on July 1, 2006, all of the 1995 Refunded Bonds at a price of par plus accrued interest.

(d) The receipt by the Refunding Trustee of the maturing installments of principal of and interest on the Acquired Obligations; and

(e) The Refunding Trustee's payment to the fiscal agent of the State of Washington of money sufficient to make the payments on the Refunded Bonds set forth herein;

and

1 WHEREAS, upon the issuance of the Bonds to carry out the Refunding Plan under the
2 authority of chapter 39.53 RCW and other laws of the State of Washington (collectively, the
3 "Refunding Bond Act"), the principal amount of the Refunded Bonds no longer shall be considered
4 outstanding pursuant to the defeasance provisions of the Bond Legislation that authorized the
5 issuance of the Refunded Bonds (the "Refunded Bond Legislation"); and

6 WHEREAS, the City Council of the City, pursuant to the Bond Legislation, has duly and
7 validly authorized the execution and delivery of this Refunding Trust Agreement, the delivery of a
8 portion of the proceeds of the Bonds to the Refunding Trustee, the purchase by the Refunding
9 Trustee of the Acquired Obligations and the carrying out of the Refunding Plan;

10 NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and for
11 the benefit of the City, the parties agree as follows:

12 Section 1. Delivery of Money to Refunding Trustee. On the Date of Closing, the City
13 shall cause to be delivered to the Refunding Trustee \$2,252,533.10 of the proceeds of the refunding
14 portion of the Bonds.

15 Section 2. Investment and Expenditure of Money. On the Date of Closing, the
16 Refunding Trustee shall apply \$2,252,532.00 to pay on behalf of the City the purchase and/or
17 subscription prices of the Acquired Obligations, from the sources, in the principal amounts, with the
18 dates of maturity and bearing the interest rates or yields set forth in Attachment A and \$1.10 to
19 establish a beginning cash balance. Upon receipt thereof, the Refunding Trustee shall deliver to the
20 City copies of the documents evidencing the purchase of and payment for the Acquired Obligations.
21 Investments in mutual funds and unit investment trusts are prohibited.

22 Section 3. Sufficiency of Acquired Obligations. Based upon the Verification, the City
23 represents that the Acquired Obligations and the maturing principal thereof and the interest thereon,
24 if paid when due, together with the beginning cash balance, shall be sufficient to make when due the
25 payments required by the Refunding Plan. Such amounts coming due are sometimes referred to
26 hereinafter as the "payment described in Section 3." The schedules of the sources, amounts,
maturities, and interest rates or yields of the Acquired Obligations and of the Refunded Bonds that
will fulfill the foregoing requirements are set forth in the Verification.

Section 4. Collection of Proceeds of Acquired Obligations and Application of Such
Proceeds and Money. The Refunding Trustee shall present for payment and shall collect and receive
on the due dates thereof the maturing installments of the principal of and the interest on the Acquired
Obligations. The Refunding Trustee shall deliver to the Fiscal Agent of the State of Washington (the
"Fiscal Agent") on July 1, 2006, the payment described in Section 3. That payment shall be made
by check, wire transfer, or such other method of transfer of funds as shall be agreed upon by the
Refunding Trustee and the Fiscal Agent.

Section 5. Notice of Defeasance/Notice of Redemption. The Refunding Trustee agrees
to give a notice of defeasance and a notice of redemption of the Refunded Bonds pursuant to the
terms of the Refunded Bonds, and in substantially the forms attached hereto as and as described in
Attachments B and C, to the Fiscal Agent for distribution as described therein. The notice of
defeasance shall be given immediately following the execution of this Refunding Trust Agreement,
and the notice of redemption shall be given in accordance with the Refunded Bond Legislation. The
cost of giving the notices shall be paid by the City.

Section 6. All Obligations and Money and Proceeds Thereof Held in Trust. The
Refunding Trustee irrevocably agrees to hold the Acquired Obligations, the principal thereof and

1 interest thereon, and any other money it may receive pursuant to this Refunding Trust Agreement, in
2 trust and separate at all times from all other funds and investments held by the Refunding Trustee,
3 solely for the purpose of making the payment described in Section 3. The City irrevocably conveys,
4 transfers, and assigns to the Refunding Trustee the Acquired Obligations, the principal thereof and
5 the interest thereon, and any other money and investments deposited with the Refunding Trustee
6 pursuant to this Refunding Trust Agreement, for the purpose of making such payments. The
7 Refunding Trustee shall not sell, transfer, assign, or hypothecate any Acquired Obligations, except
8 pursuant to Sections 12 and 13 hereof.

9 Section 7. Notice of Insufficiency. If the maturing principal of and interest on the
10 Acquired Obligations and other money held by the Refunding Trustee pursuant to this Refunding
11 Trust Agreement shall be insufficient or shall be projected to become insufficient at any time in the
12 future to make the payment described in Section 3, the Refunding Trustee shall give the City prompt
13 notice of such insufficiency or projected insufficiency.

14 Section 8. Amendments to Refunding Trust Agreement. The Refunding Trustee and the
15 City recognize that the owners of the Refunded Bonds and the Bonds from time to time have a
16 beneficial interest in the Acquired Obligations and money to be held by the Refunding Trustee as
17 herein provided. Therefore, this Refunding Trust Agreement is irrevocable and shall not be subject
18 to amendment except for the purpose of clarifying any ambiguity herein, increasing the protection of
19 the rights of the owners of the Refunded Bonds or the Bonds, or preserving the exclusion of the
20 interest on the Refunded Bonds and the Bonds from gross income for federal income tax purposes,
21 and only if such amendment is accompanied by an opinion addressed to the City and the Refunding
22 Trustee from Foster Pepper PLLC, its successor or other nationally recognized bond counsel to the
23 City, to the effect that such change is necessary for one of the above reasons and does not
24 detrimentally affect the owners of the outstanding Refunded Bonds and the Bonds or that it
25 strengthens the protection of the owners of the Refunded Bonds and the Bonds and does not
26 detrimentally affect the owners of the Refunded Bonds and the Bonds.

Section 9. Limitation of Liability of Refunding Trustee. None of the provisions
contained in this Refunding Trust Agreement shall require the Refunding Trustee to use or advance
its own funds in the performance of any of its duties or the exercise of any of its rights or powers
hereunder. The Refunding Trustee shall be under no liability for the payment of interest on any
funds or other property received by it hereunder except to the extent the Refunding Trustee is
required by the express terms of this Refunding Trust Agreement to invest such funds.

The Refunding Trustee's liabilities and obligations in connection with this Refunding Trust
Agreement are confined to those specifically described herein. The Refunding Trustee is authorized
and directed to comply with the provisions of this Refunding Trust Agreement and is relieved from
all liability for so doing notwithstanding any demand or notice to the contrary by any party hereto.
The Refunding Trustee shall not be responsible or liable for the sufficiency, correctness,
genuineness, or validity of the Acquired Obligations deposited with it; the performance or
compliance by any party other than the Refunding Trustee with the terms or conditions of any such
instruments; or any loss which may occur by reason of forgeries, false representations, or the
exercise of the Refunding Trustee's discretion in any particular manner unless such exercise is
negligent or constitutes willful misconduct.

If any controversy arises between the City and any third person, the Refunding Trustee shall
not be required to determine the same or to take any action in the premises, but it may institute, in its
discretion, an interpleader or other proceedings in connection therewith as it may deem proper, and
in following either course, it shall not be liable.

1 Section 10. City Deposit of Additional Money. The City agrees that it will deposit with
2 the Refunding Trustee in time to make the then current scheduled debt service payment the
3 additional money specified in the Refunding Trustee's notice of insufficiency given pursuant to
4 Section 7 hereof.

5 Section 11. Remittance of Funds When Refunded Bonds Paid in Full. At such time as the
6 Refunding Trustee has received the representation of the City that all of the payment described in
7 Section 3 has been made and the confirmation of such representation by the Fiscal Agent, together
8 with such other evidence of such payment as shall be satisfactory to the City and the Refunding
9 Trustee, the Refunding Trustee shall deliver forthwith or remit to the City any remaining Acquired
10 Obligations and money held pursuant to this Refunding Trust Agreement.

11 Section 12. Compensation of Refunding Trustee. The payment arrangement heretofore
12 made between the Refunding Trustee and the City on compensation and expenses of the Refunding
13 Trustee for services rendered by it pursuant to the provisions of this Refunding Trust Agreement is
14 satisfactory to it and to the City, and no further payment to the Refunding Trustee shall be required
15 for such purpose. Such arrangement for compensation and expenses is intended as compensation for
16 the ordinary services as contemplated by this Refunding Trust Agreement, and if the Refunding
17 Trustee renders any service hereunder not provided for in this Refunding Trust Agreement, or the
18 Refunding Trustee is made a party to or intervenes in any litigation pertaining to this Refunding
19 Trust Agreement or institutes interpleader proceedings relative hereto, the Refunding Trustee shall
20 be compensated reasonably by the City for such extraordinary services and reimbursed for all fees,
21 costs, liability, and expenses (including reasonable attorneys' fees) occasioned thereby. The
22 Refunding Trustee shall not have a lien against or otherwise be compensated for its services and
23 expenses from the money and Acquired Obligations held pursuant to this Refunding Trust
24 Agreement to make the payment described in Section 3.

25 Section 13. Successor Refunding Trustee. The obligations assumed by the Refunding
26 Trustee pursuant to this Refunding Trust Agreement may be transferred by the Refunding Trustee to
a successor if (a) the Refunding Trustee has presented evidence satisfactory to the City and to Foster
Pepper PLLC, its successor or other nationally recognized bond counsel to the City that the
successor trustee meets the requirements of RCW 39.53.070, as now in effect or hereafter amended;
(b) the City approves the appointment of the successor trustee; (c) the successor trustee has assumed
all of the obligations of the Refunding Trustee under this Refunding Trust Agreement and has been
compensated; and (d) all of the Acquired Obligations and money then held by the Refunding Trustee
pursuant to this Refunding Trust Agreement have been duly transferred to such successor trustee.

Notwithstanding anything to the contrary contained in this Agreement, any company into
which the Refunding Trustee may be merged or converted or with which it may be consolidated or
any company resulting from any merger, conversion, or consolidation to which the Refunding
Trustee is a party, or any company to which the Refunding Trustee may sell or transfer all or
substantially all of its corporate trust business shall be the successor to the Refunding Trustee
without execution or filing of any paper or further act, if such company is eligible to serve as
Refunding Trustee under RCW 39.53.070.

Section 14. Miscellaneous. This Refunding Trust Agreement is governed by Washington
law without regard to the conflict of laws provisions thereof and may not be modified except by a
writing signed by the parties and subject to the limitations of Section 8. If any one or more of the
provisions contained in this Refunding Trust Agreement shall for any reason be held to be invalid,
illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect
any other provisions of this Refunding Trust Agreement, but this Refunding Trust Agreement shall
be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

1 Section 15. Notice to Rating Agencies. The Refunding Trustee shall notify all national
2 rating agencies maintaining (at the request of the City) a rating on the Refunded Bonds or the Bonds,
in writing upon timely receipt of notice or evidence of either of the following circumstances:

3 (a) Prior to their taking effect, any amendments to this Refunding Trust
4 Agreement under Section 8, enclosing the proposed amendatory documents; and

5 (b) The holding (referred to in Section 14) that one or more provisions of
6 this Refunding Trust Agreement are invalid, illegal, or unenforceable in any respect,
enclosing a copy of that holding.

7 Such notices shall be sent to the applicable rating agencies by first class mail to the addresses
8 advised by those rating agencies.

8 Section 16. Counterparts. This Agreement may be executed in counterparts.

9 IN WITNESS WHEREOF, the parties have executed and delivered this Refunding Trust
10 Agreement pursuant to due and proper authorization, all as of the date and year first above written.

11 THE CITY OF SEATTLE, WASHINGTON

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Refunding Trustee

12 By: _____

By: _____

Title: _____

SCHEDULE 1
REFUNDED BONDS

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Designation/ Name of Issue	Refunded Bond Legislation	Date of Issue	Original Principal Amount	Principal Amount Refunded	Maturities to be Refunded "Refunded Bonds"	Redemption Date And Redemption Price
1995 Refunded Bonds* Limited Tax General Obligation Bonds, 1995	Ordinance 117901 Resolution 29261	12/1/1995	\$28,670,000	\$2,215,000*	7/1/2007 through 7/1/2012; and 7/1/2015	7/1/2006@ 100%

*New money portion only, partial maturities

ATTACHMENT A

THE CITY OF SEATTLE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION
IMPROVEMENT AND REFUNDING BONDS, 2006

ACQUIRED OBLIGATIONS

<u>TYPE*</u>	<u>MATURITY DATE</u>	<u>PAR AMOUNT</u>	<u>INTEREST RATE</u>
CERT	7/1/2006	\$2,252,532	4.65%

*CERT - United States Treasury Certificate of Indebtedness--State and Local Government Series

ATTACHMENT B

Notice of Defeasance*
The City of Seattle, Washington
Limited Tax General Obligation Bonds, 1995

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of April __, 2006, by and between The City of Seattle, Washington (the "City"), and Wells Fargo Bank, National Association, of Portland, Oregon (the "Refunding Trustee"), there has been deposited into an escrow account, held by the Refunding Trustee, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay on the redemption date of such bonds so provided for, the principal thereof and interest thereon (the "1995 Refunded Bonds"). Such 1995 Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 14 of Ordinance 117901 of the City relating to the 1995 Refunded Bonds, but will be paid by application of the assets in such escrow account.

The 1995 Refunded Bonds are described as follows:

The City of Seattle, Washington
 Limited Tax General Obligation Bonds, 1995
 (Dated December 1, 1995)

Maturity (July 1)	Par Amount Defeased ¹	Interest Rate	Call Date @ 100%	CUSIP Nos.
2007	\$225,000	5.000%	7/01/2006	
2008	235,000	5.000	7/01/2006	
2009	250,000	5.125	7/01/2006	
2010	270,000	5.125	7/01/2006	
2011	285,000	5.125	7/01/2006	
2012	300,000	5.125	7/01/2006	
**	**	**	**	**
2015	650,000	5.125	7/01/2006	

¹ This notice relates only to a portion of the bonds of each maturity which will be selected by lot within each maturity in such manner as the Bond Registrar shall determine, in accordance with Section 3 of Resolution 29261 of the City.

Wells Fargo Bank, National Association, as Refunding Trustee

Dated: _____

* This notice shall be given immediately by first class mail to each registered owner of the 1995 Refunded Bonds and to each Nationally Recognized Securities Information Repository and The Depository Trust Company of New York, New York.

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ATTACHMENT C

Notice of Redemption*

**The City of Seattle, Washington
Limited Tax General Obligation Bonds, 1995**

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington, has called for redemption on July 1, 2006, all of its outstanding Limited Tax General Obligation Bonds, 1995, described below (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to July 1, 2006. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York
Fiscal Agency Department,
Ground Floor
101 Barclay Street, 7 East
New York, NY 10286

-or- Wells Fargo Bank, National Association
Corporation Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on July 1, 2006.

[remainder of page intentionally left blank]

* This notice shall be given not less than 30 nor more than 60 days prior to July 1, 2006, by first class mail, postage prepaid, to each registered owner of the 1995 Refunded Bonds. In addition, notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York; to Smith Barney Inc. at their offices in New York, New York; to each Nationally Recognized Securities Information Repository and to The Depository Trust Company of New York, New York.

The following Bonds are being redeemed:

Maturity (July 1)	Par Amount Defeased ¹	Interest Rate	CUSIP Nos.
2007	\$225,000	5.000%	
2008	235,000	5.000	
2009	250,000	5.125	
2010	270,000	5.125	
2011	285,000	5.125	
2012	300,000	5.125	
**	**	**	**
2015	650,000	5.125	

¹ This notice relates only to a portion of the bonds of each maturity which will be selected by lot within each maturity in such manner as the Bond Registrar shall determine, in accordance with Section 3 of Resolution 29261 of the City.

By Order of The City of Seattle, Washington

The Bank of New York, as Paying Agent

Dated: _____

Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 (the "Act"), when presenting the Bonds for payment, Bondowners must also submit a completed IRS Form W-9 or an exemption certificate equivalent. Failure to provide a properly completed Form W-9 or an exemption certificate equivalent may result in 30% back up withholding on the amount of the payment under the provisions of the Act.

STATE OF WASHINGTON – KING COUNTY

--SS.

197196
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

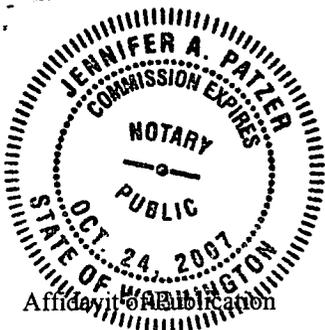
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:30861 RESOLUTION

was published on

04/19/06

The amount of the fee charged for the foregoing publication is the sum of \$ 662.40, which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

04/19/06

[Handwritten signature]

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

RESOLUTION 30861

WHEREAS, providing for the sale and issuance of The City of Seattle Washington Limited Tax General Obligation Improvement and Refunding Bonds, 2006, specifying the amount, maturities, interest rates and other terms of the bonds; providing for the refunding of certain of the City's outstanding limited tax general obligation bonds; providing for the call, payment and redemption of the outstanding bonds to be refunded, appointing a refunding trustee and approving the form and execution of a refunding trust agreement and authorizing the purchase of certain obligations and the use and application of money derived from those obligations; and ratifying, confirming and approving the notice of bond sale and the actions of the Director of Finance relating to the sale of the bonds;

WHEREAS, pursuant to Ordinance 121982, the City authorized the issuance of not to exceed \$24,000,000 of its limited tax general obligation bonds to pay all or part of the cost of City projects identified in that ordinance, the costs of issuance and sale of the those bonds, and other City purposes approved by ordinance; and

WHEREAS, pursuant to Ordinance 121651, the City authorized the issuance of not to exceed \$900,000,000 of limited tax general obligation refunding bonds to pay all or part of the cost of refunding certain of the City's outstanding limited tax general obligation bonds and pay the costs of issuance and sale of such bonds; and

WHEREAS, pursuant to Ordinance 121982 and Ordinance 121651 (collectively the Bond Ordinances), the City has determined to issue and sell its Limited Tax General Obligation Improvement and Refunding Bonds, 2006 (the Bonds), in the aggregate principal amount of \$24,905,000; and

WHEREAS, the Bond Ordinances authorized the Director of Finance to conduct a public sale or to negotiate the sale of the Bonds and to recommend to the City Council for its approval by resolution the interest rates and other terms of and matters relating to the Bonds consistent with the Bond Ordinances; and

WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated March 31, 2006, for the public sale of the Bonds, including an official notice of that sale (the Notice of Bond Sale), has been prepared and distributed, bids have been received in accordance with the Notice of Bond Sale, and the proposed sale of the Bonds to Morgan Stanley DW Inc. has been recommended to the City Council for its approval with the interest rates and other terms of and matters relating to the Bonds set forth in this resolution. NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING THAT:

Section 1. Definitions. The following terms shall have the following meanings for all purposes of this resolution:

Acquired Obligations means those Acquired Obligations (as such term is defined in Ordinance 121651) purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution.

Bond Ordinances means collectively Ordinances 121982 and 121651 of the City authorizing the issuance of the Bonds.

Capital Projects means those elements of the City's capital improvement program identified in Exhibit A of Ordinance 121982 and other City purposes approved by ordinance.

Refunded Bonds means the 1995 Refunded Bonds as such bonds are identified and defined in Exhibit A attached hereto and by this reference incorporated herein.

Refunding Portion means that portion of the Bonds so identified in Exhibit B attached hereto and by this reference incorporated herein.

Refunding Plan means:

a. the placement of sufficient proceeds of the Bonds, which, with other money of the City, if necessary, will acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee; and

b. the call, payment and redemption on July 1, 2006, of all of the outstanding 1995

Refunded Bonds at a price of 100% of par plus accrued interest.

Refunding Trust Agreement means the Refunding Trust Agreement between the City and the Refunding Trustee relating to the Refunded Bonds, substantially in the form attached hereto as Exhibit F.

Refunding Trustee means Wells Fargo Bank, National Association, serving as trustee or escrow agent or any successor trustee or escrow agent.

The meanings of all other capitalized terms used and not otherwise defined in this resolution shall be as set forth in the Bond Ordinances.

Section 2. The Bonds. The Bonds shall be called "The City of Seattle, Washington, Limited Tax General Obligation Improvement and Refunding Bonds, 2006"; shall be issued in the aggregate principal amount of \$24,905,000; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be dated the date of initial delivery; shall be registered as to both principal and interest; and shall bear interest from their date until the Bonds bearing such interest have been paid or their payment has been duly provided for, payable on the first day of each March and September, commencing September 1, 2006.

The Bonds shall mature on March 1 of the following years and in the following amounts:

Year -- Principal Amounts -- Interest Rates

2007 -- \$1,460,000 -- 4.000%

2008 -- 1,530,000 -- 4.000

2009 -- 1,600,000 -- 4.000

2010 -- 1,665,000 -- 4.000

2011 -- 1,735,000 -- 4.000

2012 -- 1,815,000 -- 5.000

2013 -- 1,430,000 -- 5.000

2014 -- 1,515,000 -- 5.500

2015 -- 1,245,000 -- 4.250

2016 -- 1,295,000 -- 4.250

2017 -- 1,345,000 -- 4.200

2018 -- 1,405,000 -- 4.250

2019 -- 1,465,000 -- 4.250

2020 -- 1,530,000 -- 4.250

2021 -- 1,605,000 -- 4.375

2022 -- 440,000 -- 4.375

2023 -- 460,000 -- 4.375

2024 -- 480,000 -- 4.375

** ** **

2026 -- 885,000 -- 4.500

Portions of the above maturity amounts are allocated to pay the respective costs of the Capital Projects and of carrying out the Refunding Plan, including a ratable share of proceeds used to pay the costs of issuance of the Bonds, in accordance with the schedule set forth in Exhibit B of this resolution.

Section 3. Optional Redemption. Bonds maturing on or before March 1, 2016, shall be issued without the right or option of the City to redeem those Bonds prior to their stated maturity dates. The City reserves the right and option to redeem Bonds maturing on and after March 1, 2017, prior to their stated maturity dates, at any time on and after March 1, 2016, as a whole or in part (within one or more maturities to be selected by the City and randomly within a maturity in such manner as the Bond Registrar shall determine), at a price of par plus accrued interest to the date fixed for redemption.

Section 4. Mandatory Redemption. Bonds maturing in the year 2026 are designated as Term Bonds and, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth in Section 8(d) of the Bond Ordinances, shall be called for redemption in accordance with Section 8(b) of the Bond Ordinances at par plus accrued interest on March 1 in years and amounts as follows:

Term Bonds Maturing 2026

Mandatory Redemption Years	Mandatory Redemption Amounts
2025	-- \$500,000
2026(1)	-- 385,000

(1) maturity

Section 5. Form of Bonds. The Bonds shall be substantially in the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 6. Sale and Delivery of Bonds. The City finds that the sale and delivery of the Bonds to Morgan Stanley DW Inc. (the "Purchaser"), at the interest rates and under the conditions set forth in the Bond Ordinances, this resolution, the Notice of Bond Sale and Sample Bid Form attached hereto as Exhibit D, and the electronic bid of the Purchaser, a printed version of which is attached hereto as Exhibit E and by this reference incorporated herein, is in the City's best interest and therefore ratifies, confirms and approves the award of the Bonds to the Purchaser.

Section 7. Authorization of Official Statement. The Director of Finance is hereby authorized and directed to review and approve on behalf of the City a final official statement (the "Official Statement") with respect to the Bonds, substantially in the form of the Preliminary Official Statement and supplemented or amended as he, with the approval of bond counsel, deems necessary desirable, or appropriate.

Section 8. Use of Bond Proceeds Refunding Plan. The principal proceeds of the Bonds received by the City and, if necessary other money of the City (the amounts to be determined by the Director of Finance prior to the issuance of the Bonds) shall be applied as follows: (i) an amount sufficient to carry out the Refunding Plan shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded Bonds under the Refunded Bond Legislation pursuant to the Refunding Plan as defined herein and modified or amplified by the Refunding Trust Agreement; and (ii) the balance of the Bond proceeds shall be deposited in the 2006 Multipurpose LTGO Bond Fund created by Ordinance 121982 or other funds, subfunds or accounts designated by the Director of Finance and used to pay the costs of the Capital Projects, the costs of issuing the Bonds, and for any other purposes described by ordinance.

The Refunding Plan shall be carried out and proceeds of the Refunding Portion shall be applied, in accordance with Ordinance 121651, the Refunded Bond Legislation, the Refunding Trust Agreement, this resolution and the laws of the State.

Section 9. Call for Redemption of the Refunded Bonds. In accordance with Section 9 of Ordinance 121651, as a part of the Refunding Plan the City calls the Refunded Bonds for redemption on the call date or at the redemption price set forth in the Refunding Plan, plus accrued interest to the date of redemption.

Such call for redemption shall be irrevocable after the delivery of the Bonds to the Purchaser.

The proper officials of the City are authorized and directed to give or cause to be given such notices as are required, at the time and in the manner required, pursuant to the Refunded Bond Legislation, in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 10. City Findings With Respect to Refunding. The City finds and determines that the issuance and sale of the Refunding Portion will effect a savings to the City and will be in the best interest of the City and the public interest through the restructuring of debt service. In making such findings and determination, the City has given consideration to the fixed maturities and scheduled redemptions of the Refunding Portion and the Refunded Bonds and allocable costs of issuance, and the known earned income from the investment of the proceeds of the issuance and sale of the Refunding Portion and other money, if any, of the City used in the Refunding Plan pending payment at the redemption of the Refunded Bonds. The City further finds and determines that the monies to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with Ordinance 121651 and this resolution will discharge and satisfy the obligations of the City with respect to the Refunded Bonds under the Refunded Bond Legislation, and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to the Refunded Bonds and that the Refunded Bonds shall no longer be deemed to be outstanding under the Refunded Bond Legislation immediately upon the deposit of such money with the Refunding Trustee.

Section 11. Appointment of Refunding Trustee and Authorization of Refunding Trust Agreement. Wells Fargo Bank, National Association, is appointed as Refunding Trustee. The Director of Finance is authorized and directed to execute and deliver to the Refunding Trustee the Refunding Trust Agreement with such modifications as the Director of Finance determines are necessary and appropriate and are consistent with Ordinance 121651 and this resolution.

Section 12. Undertaking to Provide Continuing Disclosure. This Section constitutes the written undertaking (the "Undertaking") for the benefit of the holders of the Bonds as required by United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), and pursuant to the Bond Ordinances. For purposes of this undertaking, the term "holders of the

Bonds" shall have the meaning intended for such term under the Rule.

The City as an "obligated person" within the meaning of the Rule undertakes to provide or cause to be provided, either directly or through a designated agent:

a. To each nationally recognized municipal securities information repository designated by the SEC in accordance with the Rule (each "NRMSIR"), and to a state information depository, if one is established in the State of Washington and recognized by the SEC (the "SID"), annual financial information and operating data of the type included in the Official Statement for the Bonds as follows: (i) annual financial statements of the City, prepared in accordance with generally accepted accounting principles applicable to governmental units (except as otherwise noted herein), as such principles may be changed from time to time and as permitted by State law, which financial statements will not be audited, except that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (ii) a statement of authorized, issued and outstanding general obligation debt of the City; (iii) the assessed value of the property within the City subject to ad valorem taxation; and (iv) ad valorem tax levy rates and amounts and percentage of taxes collected.

Annual financial information, as described above, will be provided to each NRMSIR and the SID, not later than the last day of the ninth month after the end of each fiscal year of the City, as such fiscal year may be changed as permitted or required by State law, commencing with the City's fiscal year ending December 31, 2005. The annual financial information may be provided in a single or in multiple documents, and may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an obligated person as defined by the Rule, which documents have been filed with each NRMSIR and the SID. If the document incorporated by reference is a "final official statement" it must be available from the Municipal Securities Rulemaking Board ("MSRB").

b. To each NRMSIR or to the MSRB, and to the SID, timely notice of the occurrence of any of the following events with respect to the Bonds, if material: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (vii) modifications to the rights of the holders of the Bonds; (viii) Bond calls (other than scheduled mandatory redemptions of Term Bonds); (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.

c. To each NRMSIR or to the MSRB and to the SID timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (a) above.

This Undertaking may be amended without the consent of any holder of any Bond, any broker, dealer, municipal securities dealer, participating underwriter, rating agency, NRMSIR, the SID or the MSRB, under the circumstances and in the manner permitted by the Rule. The City will give notice to each NRMSIR or the MSRB, and to the SID of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended information will include a narrative explanation of the effect of that change on the type of information being provided.

If the City fails to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected as soon as practicable after the City learns of that failure. No failure by the City or other obligated person to comply with this Undertaking shall constitute a default with respect to the Bonds. The sole remedy of any holder of a Bond will be to take such actions as that holder deems necessary and appropriate to compel the City or other obligated person to comply with this Undertaking.

At its option and to the extent authorized by the SEC, the City may make any filing under this Undertaking by transmitting the required filing using <http://www.disclosure-usa.org> (or such other centralized agent as may be approved by the SEC).

Section 13. Termination of Undertaking. The City's obligations under the Undertaking described in Section 12 of this resolution shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the then outstanding Bonds. In addition, the Undertaking, or any provision thereof, will be null and void if the City (i) obtains an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws to the effect that those portions of the Rule which require the City to comply with the Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the SID and either the MSRB or each then existing NRMSIR of such termination.

Section 14. General Authorization. The Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, the Bond Ordinances and this resolution.

Section 15. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, each offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 16. Ratification of Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are ratified, approved and confirmed.

Section 17. Section Headings. Section headings in this resolution are used for convenience only and shall not constitute a substantive portion of this resolution.

ADOPTED by the City Council the 6th day of April, 2006, and signed by me in open session in authentication of its adoption this 11 day of April, 2006.

David Della

President Pro Tem of the City Council

THE MAYOR CONCURRING:

Gregory J. Nickels, Mayor

Filed this 11th day of April, 2006.

(Seal) Judith Pippin

City Clerk

LIST OF EXHIBITS

Exhibit A - Refunded Bonds

Exhibit B - Allocation of Bonds

Exhibit C - Bond Form

Exhibit D - Notice of Bond Sale and Sample Bid Form

Exhibit E - Printed Version of Purchaser's Electronic Bid for the Bonds

Exhibit F - Refunding Trust Agreement

See City Clerk for Exhibits

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily Journal of Commerce, April 19, 2006.

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