

RESOLUTION No. 30938

A RESOLUTION Providing for the sale and issuance of The City of Seattle, Washington, Local Improvement District No. 6750 Bonds; specifying the amount, maturity, interest rates and other terms of the bonds; fixing the interest rate on local improvement district assessments installments; and ratifying, confirming and approving actions of the Director of Finance relating to the sale of the bonds.

Introduced: 11-30-06	By: Licata
Referred: 11-30-06	To: Full Council - Introduced + Adopted
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Reported: 11-30-06	
Passed: 11-30-06	Signed: 11-30-06
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11-30-06 Adopted 6-0  
(Excused: Clark, Drago, McIver)

11-30-06

US5171

12-28-06

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**RESOLUTION 30938**

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Adopted November 30, 2006

1 **RESOLUTION 30938**

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3 A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Local  
4 Improvement District No. 6750 Bonds; specifying the amount, maturity, interest rates and  
5 other terms of the bonds; fixing the interest rate on local improvement district assessment  
installments; and ratifying, confirming and approving actions of the Director of Finance  
relating to the sale of the bonds.

6 WHEREAS, pursuant to Ordinance 122225 (the "Bond Ordinance") the City authorized the issuance  
7 of not to exceed \$26,800,000 of its Local Improvement District No. 6750 bonds to pay part  
8 of the cost of constructing a modern streetcar line to serve downtown Seattle, Denny Triangle  
and South Lake Union, the costs of issuance and sale of the those bonds, and other City  
purposes approved by ordinance; and

9 WHEREAS, pursuant to the Bond Ordinance, the City has determined to issue and sell its Local  
10 Improvement District No. 6750 Bonds (the "Bonds"), in the aggregate principal amount of  
\$21,924,640.73; and

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

14 WHEREAS, pursuant to the Bond Ordinance, the Director of Finance has negotiated the proposed  
15 sale of the Bonds to Banc of America Securities LLC and Siebert Brandford Shank & Co.,  
16 LLC, and recommends to the City Council for its approval the sale of the Bonds with the  
interest rates and other terms of and matters relating to the Bonds set forth in this resolution;  
NOW, THEREFORE,

17 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:**

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

20 Bond Ordinance means Ordinance 122225 of the City authorizing the issuance of the Bonds.

21 LID means Local Improvement District No. 6750.

22 Purchase Agreement means the Bond Purchase Agreement between the City and Banc of  
23 America Securities LLC dated November 30, 2006, offering to purchase the Bonds under the terms  
24 and conditions provided therein.

25 Record Date means the last business day of the month preceding the interest or principal  
26 payment or redemption date for the Bonds (i.e., the last business day of November of each year).

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

3 Section 2. The Bonds. The Bonds shall be called "The City of Seattle, Washington,  
4 Local Improvement District No. 6750 Bonds"; shall be issued in the total principal sum of  
5 \$21,924,640.73, being the total amount on the assessment roll of the LID subject to assessment and  
6 remaining uncollected after the expiration of the 30-day interest-free prepayment period for  
7 assessments on the assessment roll for that LID. The Bonds shall be dated the date of the initial  
8 delivery, shall mature on December 15, 2026; and shall be numbered in such manner and with any  
9 additional designation (including CUSIP numbers) as the Bond Registrar deems necessary for the  
10 purpose of identification; shall be in the denomination of \$5,000 or any integral multiple thereof,  
11 except for one Bond within the estimated redemption group assigned CUSIP Number 812644 AA 0  
12 in the principal amount of \$4,640.73 (or \$4,640.73 plus any integral multiple of \$5,000.00) and shall  
13 bear interest (calculated on the basis of a 360-day year with 30-day months) from their date to the  
14 maturity or earlier redemption of the Bonds, payable annually on December 15 of each year  
15 beginning December 15, 2007, at the rates per annum shown on the following Estimated  
16 Redemption Schedule:

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18 **ESTIMATED REDEMPTION SCHEDULE**

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<b>ESTIMATED REDEMPTION DATES DECEMBER 15</b>	<b>ESTIMATED AMOUNTS</b>	<b>INTEREST RATES</b>	<b>CUSIP NO. 812644-</b>
2007	\$ 1,219,640.73	3.600%	AA 0
2008	1,220,000	3.650	AB 8
2009	1,220,000	3.700	AC 6
2010	1,220,000	3.750	AD 4
2011	1,220,000	3.800	AE 2
2012	1,220,000	3.850	AF 9
2013	1,220,000	3.875	AG 7

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1	2014	1,220,000	3.900	AH 5
2	2015	1,220,000	3.950	AJ 1
3	2016	1,220,000	4.000	AK 8
4	2017	1,220,000	4.050	AL 6
5	2018	1,215,000	4.100	AM 4
6	2019	1,215,000	4.150	AN 2
7	2020	1,215,000	4.190	AP 7
8	2021	1,215,000	4.220	AQ 5
9	2022	1,215,000	4.240	AR 3
10	2023	1,215,000	4.260	AS 1
11	2024	1,215,000	4.280	AT 9

11           Section 3.    Redemption Provisions. The City reserves the right to redeem the Bonds prior  
12 to their stated maturity on any interest payment date, in order of the estimated redemption schedule  
13 (as indicated by the respective CUSIP numbers assigned to each estimated redemption year and  
14 shown in Section 2 above) and shall call Bonds for redemption in order of the estimated redemption  
15 schedule whenever there shall be sufficient money in the Bond Fund to pay the Bonds so called over  
16 and above the amount required for the payment of the interest payable on that interest payment date  
17 on all unpaid Bonds. Interest on Bonds called for redemption shall cease to accrue on the date fixed  
18 for redemption, and the Bond or Bonds called shall no longer be deemed to be outstanding, unless  
19 that Bond or Bonds are not redeemed when presented pursuant to the call.

20           If fewer than all of the outstanding Bonds of an estimated redemption year are to be called  
21 for redemption, the selection of specific Bonds for redemption within that estimated redemption year  
22 shall be at random, and for as long as the Bonds are registered in the name of DTC or its nominee,  
23 the selection shall be in accordance with the operational arrangements of DTC, then in effect, as  
24 referenced in the Letter of Representations.

1           Section 4. Form of Bonds. The Bonds will be printed at City expense and delivered to  
2 the purchaser in accordance with the Purchase Agreement, and shall be substantially in the form  
3 attached hereto as Exhibit A and incorporated herein by this reference.

4           Section 5. Sale and Delivery of Bonds. Banc of America Securities LLC of Seattle,  
5 Washington, on its own behalf and on behalf of Siebert Brandford Shank & Co., LLC, has presented  
6 the Purchase Agreement to the City, which written Purchase Agreement is on file with the City  
7 Clerk with this resolution and is incorporated herein by this reference. The City Council finds that  
8 entering into the Purchase Agreement is in the City's best interest and therefore accepts the offer  
9 contained therein, confirms the terms of the sale as set forth in the Purchase Agreement, and  
10 authorizes its execution by the Director of Finance.

11           Section 6. Authorization of Official Statement. The Director of Finance is hereby  
12 authorized and directed to review and approve on behalf of the City a final official statement (the  
13 "Official Statement") with respect to the Bonds, substantially in the form of the Preliminary Official  
14 Statement and supplemented or amended as he, with the approval of bond counsel, deems necessary,  
15 desirable, or appropriate.

16           Section 7. Use of Bond Proceeds. The principal proceeds of the Bonds received by the  
17 City shall be applied as set forth in the Bond Ordinance.

18           Section 8. Undertaking to Provide Continuing Disclosure. This Section constitutes the  
19 written undertaking (the "Undertaking") for the benefit of the holders of the Bonds as required by  
20 United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), and  
21 pursuant to the Bond Ordinance. For purposes of this undertaking, the term "holders of the Bonds"  
22 shall have the meaning intended for such term under the Rule.

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

3 (a) To each nationally recognized municipal securities information repository  
4 designated by the SEC in accordance with the Rule (each "NRMSIR"), and to a state  
5 information depository, if one is established in the State of Washington and recognized by  
6 the SEC (the "SID"), annual financial information and operating data of the type included in  
7 the Official Statement for the Bonds as follows ("annual financial information"): (i) annual  
8 financial statements of the City, prepared in accordance with generally accepted accounting  
9 principles applicable to governmental units (except as otherwise noted herein), as such  
10 principles may be changed from time to time and as permitted by State law, which financial  
11 statements will not be audited, except that if and when audited financial statements are  
12 otherwise prepared and available to the City they will be provided; (ii) a statement of the  
13 outstanding balance of obligations secured by the Local Improvement Guaranty Fund of the  
14 City at fiscal year end; (iii) the balance of cash and investments (based on market value) in  
15 the Local Improvement Guaranty Fund at fiscal year end; (iv) a statement of the amount of  
16 assessment installments that the City billed in that fiscal year, and the amount collected; and  
17 (v) a statement of the amount of unpaid assessments delinquent in the LID and the total  
18 amount of assessments delinquent in the LID at the fiscal year end.

19 Annual financial information, as described above, will be provided to each NRMSIR  
20 and the SID, not later than the last day of the ninth month after the end of each fiscal year of  
21 the City, as such fiscal year may be changed as permitted or required by State law,  
22 commencing with the City's fiscal year ending December 31, 2006. In its provision of  
23 annual financial information, with respect to the Bonds, the City may cross-reference to any  
24 "final official statement" (as defined in the Rule) available from the Municipal Securities  
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1 Rulemaking Board (the "MSRB") or any other documents provided to each then existing  
2 NRMSIR or to the SID.

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

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

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

24 If the City fails to comply with this Undertaking, the City will proceed with due diligence to  
25 cause such noncompliance to be corrected as soon as practicable after the City learns of that failure.  
26 No failure by the City or other obligated person to comply with this Undertaking shall constitute a

1 default with respect to the Bonds. The sole remedy of any owner of a Bond will be to take such  
2 actions as that owner deems necessary and appropriate to compel the City or other obligated person  
3 to comply with this Undertaking. The Undertaking will inure to the benefit of the City and any  
4 owner of the Bonds, and will not inure to the benefit of or create any rights in any other person.

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

8 Section 9. Termination of Undertaking. The City's obligations under the Undertaking  
9 described in Section 8 of this resolution shall terminate upon the legal defeasance, prior redemption,  
10 or payment in full of all of the then outstanding Bonds. In addition, the Undertaking, or any  
11 provision thereof, will be null and void if the City (i) obtains an opinion of nationally recognized  
12 bond counsel or other counsel familiar with federal securities laws to the effect that those portions of  
13 the Rule which require the City to comply with the Undertaking, or any such provision, are invalid,  
14 have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the SID and  
15 either the MSRB or each then existing NRMSIR of such termination.

16 Section 10. Fixing Interest Rate on Assessments. The interest rates on the installments  
17 and delinquent payments of the special assessments in the LIDs are revised and fixed at the rate of  
18 4.40% per annum.

19 Section 11. General Authorization. The Mayor and the Director of Finance and each of  
20 the other appropriate officers of the City are each authorized and directed to do everything as in their  
21 judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions  
22 of, and complete the transactions contemplated by, the Bond Ordinance and this resolution.

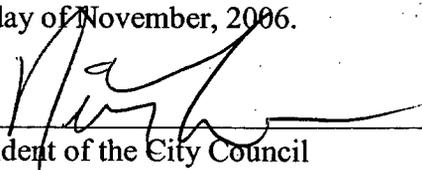
23 Section 12. Severability. The provisions of this resolution are declared to be separate and  
24 severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal  
25 periods having run, finds any provision of this resolution to be invalid or unenforceable as to any  
26 person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be

1 within the limits of enforceability or validity. However, if the offending provision cannot be so  
2 modified, it shall be null and void with respect to the particular person or circumstance, and all other  
3 provisions of this resolution in all other respects, and the offending provision with respect to all  
4 other persons and all other circumstances, shall remain valid and enforceable.

5 Section 13. Ratification of Prior Acts. All acts taken pursuant to the authority of this  
6 resolution but prior to its effective date are ratified, approved and confirmed.

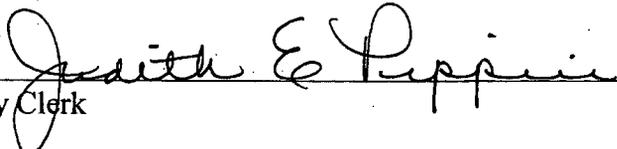
7 Section 14. Section Headings. Section headings in this resolution are used for  
8 convenience only and shall not constitute a substantive portion of this resolution.

9 ADOPTED by the City Council the 30<sup>th</sup> day of November, 2006, and signed by me in open  
10 session in authentication of its adoption this 30<sup>th</sup> day of November, 2006.

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\_\_\_\_\_  
President of the City Council

13 Filed this 1 day of Dec 2006.

14  
15 (SEAL)

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\_\_\_\_\_  
City Clerk

17 LIST OF EXHIBITS

18 Exhibit A – Bond Form  
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**EXHIBIT A**

**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

LOCAL IMPROVEMENT DISTRICT NO. 6750 BOND

INTEREST RATE:                      MATURITY DATE:                      CUSIP No.:

Registered Owner:    CEDE & CO.

Principal Amount:    [ \_\_\_\_\_ ] DOLLARS

N.B. The laws of the State of Washington under which this Bond is issued contain the following section (RCW 35.45.070):

*"Neither the holder nor owner of any bond, interest coupon, warrant, or other short-term obligation issued against a local improvement fund shall have any claim therefor against the city or town by which it is issued, except for payment from the special assessments made for the improvement for which the bond or warrant was issued and except also for payment from the local improvement guaranty fund of the city or town as to bonds issued after the creation of a local improvement guaranty fund of that city or town. The city or town shall not be liable to the holder or owner of any bond, interest coupon, warrant, or other short-term obligation for any loss to the local improvement guaranty fund occurring in the lawful operation thereof. A copy of the foregoing part of this section shall be plainly written, printed or engraved on each bond."*

1 THE CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the  
2 State of Washington, for value received, promises to pay the Registered Owner identified above on  
3 the Maturity Date identified above, the Principal Amount identified above and to pay interest  
4 (computed on the basis of a 360-day year of twelve 30-day months) thereon from the later of the date  
5 of this Bond or from the most recent interest payment date to which interest has been paid at the  
6 Interest Rate per annum set forth above, payable annually on each December 15, beginning  
7 December 15, 2007, to the maturity or earlier redemption of this Bond. If this Bond is duly  
8 presented for payment and not paid on its maturity or call date, then interest shall continue to accrue  
9 at the Interest Rate identified above until this Bond, both principal and interest, is paid in full or until  
10 sufficient money for its payment in full is on deposit in the Local Improvement Fund, District No.  
11 6750 (the "Bond Fund") and this Bond has been called for payment by giving notice to the  
12 Registered Owner.

13 Principal of and premium, if any, and interest on this Bond are payable in lawful money of  
14 the United States of America. Principal of and premium, if any, are payable only to the Registered  
15 Owner upon presentation and surrender of this Bond at the principal office of the fiscal agency of the  
16 City (presently The Bank of New York, New York, New York) or such other paying agents as  
17 designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar").  
18 Payment of each installment of interest shall be made to the Registered Owner whose name appears  
19 on the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the  
20 close of business on the 15<sup>th</sup> day of the month next preceding the interest payment date (the "Record  
21 Date") and shall be paid by check or draft of the Bond Registrar mailed on the interest payment date  
22 to the Registered Owner at the address appearing on the Bond Register or, when requested in writing  
23 to the Bond Registrar before the applicable Record Date by the Registered Owner of Bonds, by  
24 electronic transfer on the interest payment date, provided that the costs of such electronic transfer  
25 shall be paid by the requesting Registered Owner. Notwithstanding the foregoing, as long as this  
26 Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company  
("DTC"), payment of principal, premium, if any, and interest shall be made as provided in the Letter  
of Representations.

16 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington,  
17 Local Improvement District No. 6750 Bonds, aggregating \$21,924,640.73 in principal amount. The  
18 Bonds mature on December 15, 2026, and are of like date, tenor and effect, except as to CUSIP and  
19 control numbers, denominations, options of redemption and interest rates. The Bond within the  
20 estimated redemption group assigned CUSIP Number 812644 AA 0 is in the denomination of  
21 \$4,640.73 (or \$4,640.73 plus any integral multiple of \$5,000.00), and the remaining Bonds are in the  
22 denomination of \$5,000.00 each or any integral multiple thereof.

20 The Bonds are issued by the City pursuant to Ordinance 122225 and Resolution 30938 of the  
21 City (collectively, the "Bond Legislation") for the purpose of providing part of the funds to pay the  
22 costs of constructing a modern streetcar line to serve Downtown Seattle, Denny Triangle and South  
23 Lake Union, including the costs of issuing and selling the Bonds, all as provided in the Bond  
24 Legislation.

23 Assessments collected in Local Improvement District No. 6750, together with interest and  
24 penalties, if any, are pledged irrevocably to the payment of the principal of and interest on this Bond.  
25 The Registered Owner of this Bond shall look only to the Bond Fund and to the Local Improvement  
26 Guaranty Fund of the City for the payment of either the principal of or interest on this Bond. This  
Bond is not a general obligation of the City.

26 The City has reserved the right and option to redeem Bonds prior to their stated maturity date  
on any interest payment date, in order of the estimated redemption schedule (as indicated by the

1 respective CUSIP Numbers assigned to each estimated redemption year and shown in Section 2 of  
2 Resolution 30938 and shall call Bonds for redemption in order of the estimated redemption schedule  
3 whenever there is sufficient money in the Bond Fund to pay the Bonds so called over and above the  
4 amount required for the payment of the interest payable on that interest payment date on all unpaid  
5 Bonds.

6 If fewer than all of the outstanding Bonds of an estimated redemption year are to be called  
7 for redemption, the selection of specific Bonds for redemption within that estimated redemption year  
8 shall be at random, and for as long as the Bonds are registered in the name of DTC or its nominee,  
9 the selection shall be in accordance with the operational arrangements of DTC, then in effect, as  
10 referenced in the Letter of Representations. Interest on Bonds called for redemption shall cease to  
11 accrue on the date fixed for redemption, and the Bond or Bonds called shall no longer be deemed to  
12 be outstanding, unless that Bond or Bonds are not redeemed when presented pursuant to the call.  
13 Notwithstanding the foregoing, for so long as the Bonds are registered in the name of Cede & Co., as  
14 nominee of DTC, selection of Bonds for redemption shall be in accordance with the Letter of  
15 Representations.

16 Any Bond in a principal amount greater than \$5,000 may be redeemed partially in any  
17 integral multiple of \$5,000. In such event, if the Bonds are no longer held in fully immobilized  
18 form, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered  
19 Owner a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and  
20 interest rate in any of the denominations authorized by the Bond Legislation in the aggregate  
21 principal amount remaining unredeemed, without charge therefor.

22 Notice of any such intended redemption shall be sent by first-class mail, postage prepaid, not  
23 less than 15 nor more than 30 days prior to the date fixed for redemption, to the Registered Owner of  
24 any Bond to be redeemed at the address appearing on the Bond Register at the time the Bond  
25 Registrar prepares the notice, and this requirement shall be deemed to have been complied with  
26 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, Bonds selected for  
redemption and notice of redemption shall be given in accordance with the Letter of  
Representations.

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  
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.

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

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

3 In the manner and subject to the limitations set forth in the Bond Legislation, this Bond may  
4 be transferred by the Registered Owner or by such Owner's authorized agent at the Bond Registrar  
5 on completion of the assignment form appearing hereon and surrender and cancellation of this Bond.  
6 Upon such transfer, a new Bond for the same principal amount and interest rate and bearing the same  
7 Bond number will be issued to the new Registered Owner, without charge, in exchange therefor.  
8 The Bond Registrar shall not be obligated to transfer or exchange any Bond during the period  
9 between the Record Date and the next succeeding principal or interest payment or redemption date.

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

10 It is certified and declared that all acts, conditions and things required to be done precedent to  
11 and in the levying of any assessments and the issuance of this Bond have been done properly, have  
12 happened and have been performed in regular and due form, as required by law, and that this Bond,  
13 together with all other Bonds of this issue, has not been issued in an amount in excess of the cost of  
14 the improvements in Local Improvement District No. 6750.





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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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205238  
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 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

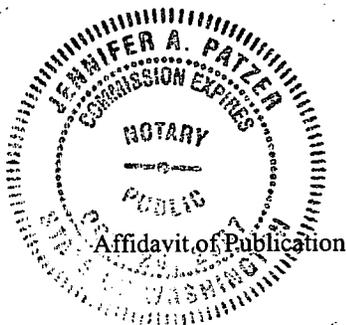
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

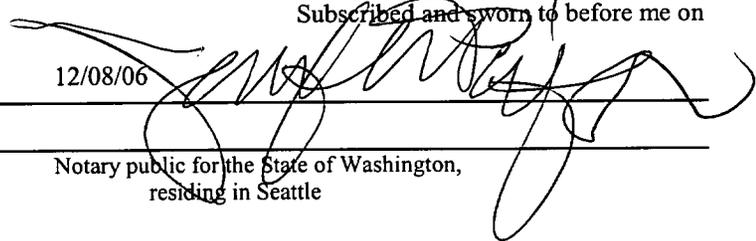
CT:30938 RESOLUTION

was published on

12/08/06

The amount of the fee charged for the foregoing publication is the sum of \$ 510.60, which amount has been paid in full.



  
\_\_\_\_\_  
Subscribed and sworn to before me on  
12/08/06   
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

# State of Washington, King County

## City of Seattle

### RESOLUTION 30938

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Local Improvement District No. 6750 Bonds specifying the amount, maturity, interest rates and other terms of the bonds; fixing the interest rate on local improvement district assessment installments; and ratifying, confirming and approving actions of the Director of Finance relating to the sale of the bonds.

WHEREAS, pursuant to Ordinance 122225 (the "Bond Ordinance") the City authorized the issuance of not to exceed \$26,800,000 of its Local Improvement District No. 6750 bonds to pay part of the cost of constructing a modern streetcar line to serve downtown Seattle, Denny Triangle and South Lake Union, the costs of issuance and sale of the those bonds, and other City purposes approved by ordinance; and

WHEREAS, pursuant to the Bond Ordinance, the City has determined to issue and sell its Local Improvement District No. 6750 Bonds (the "Bonds"), in the aggregate principal amount of \$21,924,640.73; and

WHEREAS, the Bond Ordinance 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 Ordinance; and

WHEREAS, pursuant to the Bond Ordinance, the Director of Finance has negotiated the proposed sale of the Bonds to Banc of America Securities LLC and Siebert, Bradford, Shank & Co., LLC, and recommends to the City Council for its approval the sale of the Bonds with the interest rates and other terms of, and matters relating to the Bonds set forth in this resolution; NOW

THHEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

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

**Bond Ordinance** means Ordinance 122225 of the City authorizing the issuance of the Bonds.

**LID** means Local Improvement District No. 6750.

**Purchase Agreement** means the Bond Purchase Agreement between the City and Banc of America Securities LLC dated November 30, 2006, offering to purchase the Bonds under the terms and conditions provided therein.

**Record Date** means the last business day of the month preceding the interest or principal payment or redemption date for the Bonds (i.e., the last business day of November of each year).

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

**Section 2. The Bonds.** The Bonds shall be called "The City of Seattle, Washington, Local Improvement District No. 6750 Bonds" shall be issued in the total principal sum of \$21,924,640.73, being the total amount on the assessment roll of the LID, subject to assessment and remaining uncollected after the expiration of the 30-day interest-free prepayment period for assessment on the assessment roll for that LID. The Bonds shall be dated the date of the initial delivery, shall mature on December 15, 2026, and shall be numbered in such manner and with any additional designation (including CUSIP

2007	-- \$1,219,640.73	-- 3.600%	-- AA 0
2008	-- 1,220,000	-- 3.650	-- AB 8
2009	-- 1,220,000	-- 3.700	-- AC 6
2010	-- 1,220,000	-- 3.750	-- AD 4
2011	-- 1,220,000	-- 3.800	-- AE 2
2012	-- 1,220,000	-- 3.850	-- AF 9
2013	-- 1,220,000	-- 3.875	-- AG 7
2014	-- 1,220,000	-- 3.900	-- AH 5
2015	-- 1,220,000	-- 3.950	-- AJ 1
2016	-- 1,220,000	-- 4.000	-- AK 8
2017	-- 1,220,000	-- 4.050	-- AL 6
2018	-- 1,215,000	-- 4.100	-- AM 4
2019	-- 1,215,000	-- 4.150	-- AN 2
2020	-- 1,215,000	-- 4.190	-- AP 7
2021	-- 1,215,000	-- 4.220	-- AQ 5
2022	-- 1,215,000	-- 4.240	-- AR 3
2023	-- 1,215,000	-- 4.260	-- AS 1
2024	-- 1,215,000	-- 4.280	-- AT 9

**Section 3. Redemption Provisions.** The City reserves the right to redeem the Bonds prior to their stated maturity on any interest payment date, in order of the estimated redemption schedule (as indicated by the respective CUSIP numbers assigned to each estimated redemption year and shown in Section 2 above) and shall call Bonds for redemption in order of the estimated redemption schedule whenever there shall be sufficient money in the Bond Fund to pay the Bonds so called over and above the amount required for the payment of the interest payable on that interest payment date on all unpaid Bonds. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption, and the Bonds called shall no longer be deemed to be outstanding, unless that Bond or Bonds are not redeemed when presented pursuant to the call.

If fewer than all of the outstanding Bonds of an estimated redemption year are to be called for redemption, the selection of specific Bonds for redemption within that estimated redemption year shall be at random and for as long as the Bonds are registered in the name of DTC or its nominee, the selection shall be in accordance with the operating arrangements of DTC, then in effect, as referenced in the Letter of Representations.

**Section 4. Form of Bonds.** The Bonds will be printed at City expense and delivered to the purchaser in accordance with the Purchase Agreement, and shall be substantially in the form attached hereto as Exhibit A and incorporated herein by this reference.

**Section 5. Sale and Delivery of Bonds.** Banc of America Securities LLC of Seattle, Washington, on its own behalf and on behalf of Siebert Brandford Shank & Co., LLC, has presented the Purchase Agreement to the City, which written Purchase Agreement is on file with the City Clerk with this resolution and is incorporated herein by this reference. The City Council finds that entering into the Purchase Agreement is in the City's best interest and therefore accepts the obligations contained therein, confirms the terms of sale as set forth in the Purchase Agreement and authorizes its execution by the Director of Finance.

**Section 6. 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 approval of bond counsel, deems necessary, desirable, or appropriate.

**Section 7. Use of Bond Proceeds.** The principal proceeds of the Bonds received by the City shall be applied as set forth in the Bond Ordinance.

**Section 8. 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 ("SEC") Rule 15c2-12 (the "Rule"), and pursuant to the Bond Ordinance. For purposes of this undertaking, the term "holders of Bonds" shall have the meaning intended by 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 ("annual financial information"): (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 the outstanding balance of obligations secured by the Local Improvement Guaranty Fund of the City at fiscal year end; (iii) the balance of cash and investments (based on market value) in the Local Improvement Guaranty Fund at fiscal year end; (iv) a statement of the amount of assessment installments that the City billed in that fiscal year, and the amount collected; and (v) a statement of the amount of unpaid assessments delinquent in the LID and the total amount of assessments delinquent in the LID at the fiscal year end.

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, 2006. In its provision of annual financial information, with respect to the Bonds, the City may cross-reference to any "final official statement" (as defined in the Rule) available from the Municipal Securities Rulemaking Board (the "MSRB") or any other documents provided to each then existing NRMSIR or to the SID.

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 applicable and material: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserve 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 holder of the Bonds; (viii) Bond calls; (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 after the primary offering of the Bonds without the consent of any holder of any Bond or 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 to be provided.

If the City fails to comply with the 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

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or other obligated person to comply with this Undertaking shall constitute a default with respect to the Bonds. The sole remedy of any owner of a Bond will be to take such actions as that owner deems necessary and appropriate to compel the City or other obligated person to comply with this Undertaking. The Undertaking will inure to the benefit of the City and any owner of the Bonds, and will not inure to the benefit of or create any rights in any other person.

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 9. Termination of Undertaking.** The City's obligations under the Undertaking described in Section 8 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 10. Fixing Interest Rate on Assessments.** The interest rates on the installments and delinquent payments of the special assessments in the LIDs are revised and fixed at the rate of 4.40% per annum.

**Section 11. 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 Ordinance and this resolution.

**Section 12. 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, such 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 13. 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 14. 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 30th day of November, 2006, and signed by me in open session in authentication of its adoption this 30th day of November, 2006.

Nick Licata  
President of the City Council

Filed this 30th day of November 2006.  
(SEAL) Judith Pippin  
City Clerk

LIST OF EXHIBITS  
Exhibit A - Bond Form  
See City Clerk for Exhibits

Publication ordered by JUDITH PIPPIN,  
City Clerk  
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Journal of Commerce, December 8, 2006.  
12/8(205238)