

Resolution No. 31213

The City of Seattle - Legislative Department

Resolution sponsored by: Hammill

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds-- Direct Payment), The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B, and The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds-Direct Payment); specifying the amount, maturities, interest rates and other terms of the bonds; providing for the payment of part of the cost of certain capital improvements to and conservation programs for the Light System of the City, providing for the Reserve Fund Requirement, and providing for the refunding of certain of the City's outstanding municipal light and power bonds; approving the form and execution of certain agreements; and ratifying and confirming certain prior acts.

Committee Action:

Recommendation

Vote

Related Legislation File: _____

Date Introduced and Referred: <u>5.13.10</u>	To: (committee): <u>Full Council</u>
Date Re-referred:	To: (committee):
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This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date

Decision

Vote

5.13.10

Adopted

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Excused: SB, RC,
TIS, TR,

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RESOLUTION 31213

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Adopted May 13, 2010

RESOLUTION 31213

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4 A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington,
5 Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—
6 Direct Payment), The City of Seattle, Washington, Municipal Light and Power
7 Improvement and Refunding Revenue Bonds, 2010B, and The City of Seattle,
8 Washington, Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery
9 Zone Economic Development Bonds—Direct Payment); specifying the amount,
10 maturities, interest rates and other terms of the bonds; providing for the payment of part
11 of the cost of certain capital improvements to and conservation programs for the Light
12 System of the City, providing for the Reserve Fund Requirement, and providing for the
13 refunding of certain of the City’s outstanding municipal light and power bonds;
14 approving the form and execution of certain agreements; and ratifying and confirming
15 certain prior acts.

16 WHEREAS, pursuant to Ordinance 123169, as amended by Ordinance 123261 (the “Bond
17 Ordinance”), The City of Seattle, Washington (the “City”) authorized the issuance of its
18 not to exceed \$250,000,000 municipal light and power revenue bonds, in one or more
19 series, to (i) pay part of the cost of carrying out the Plan of Additions for the Light
20 System of the City; (ii) provide for the Reserve Fund Requirement; and (iii) pay the costs
21 of issuance of those bonds; and

22 WHEREAS, pursuant to Ordinance 118745 and Resolution 29686 (the “1997 Refunded Bond
23 Legislation”) the City issued its Municipal Light and Power Revenue Bonds, 1997 (the
24 “1997 Refunded Bonds”); and

25 WHEREAS, pursuant to Ordinance 118744 and Resolution 29687 (the “1998A Refunded Bond
26 Legislation”) the City issued its Municipal Light and Power Refunding Revenue Bonds,
27 1998, Series A (the “1998A Refunded Bonds”); and

28 WHEREAS, pursuant to Ordinance 119141 and Resolution 29851 (the “1998B Refunded Bond
Legislation”) the City issued its Municipal Light and Power Refunding Revenue Bonds,
1998, Series B (the “1998B Refunded Bonds”); and

WHEREAS, pursuant to Ordinance 120131 and Resolution 30274 (the “2000 Refunded Bond
Legislation”) the City issued its Municipal Light and Power Revenue Bonds, 2000 (the
“2000 Refunded Bonds”); and

WHEREAS, pursuant to Ordinance 120274 and Resolution 30298 (the “2001 Refunded Bond
Legislation”) the City issued its Municipal Light and Power Revenue Bonds, 2001 (the
“2001 Refunded Bonds”); and

1 WHEREAS, by Ordinance 121941, as amended by Ordinance 122838 (the “Refunding Bond
2 Ordinance”), the City authorized the issuance and sale of municipal light and power
3 revenue bonds for the purpose, among other things, of paying all or part of the costs of
4 refunding the City’s outstanding municipal light and power revenue bonds; and

5 WHEREAS, the Bond Ordinance and the Refunding Bond Ordinance (collectively, the Bond
6 Ordinances”), authorized the Director of Finance to conduct a public or negotiated sale of
7 the Bonds authorized thereby and to recommend to the City Council for its approval by
8 resolution the interest rates and other terms and matters relating to the Bonds consistent
9 with the Bond Ordinances; and

10 WHEREAS, the Director of Finance has recommended the issuance of \$181,625,000 of
11 Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—
12 Direct Payment) (the “2010A Bonds”), \$596,870,000 of Municipal Light and Power
13 Improvement and Refunding Revenue Bonds, 2010B (the “2010B Bonds”), and
14 \$13,275,000 of Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery
15 Zone Economic Development Bonds—Direct Payment) (the “2010C Bonds” and
16 together with the 2010A Bonds and the 2010B Bonds, the “Bonds”), to carry out the
17 purposes of the Bond Ordinance and, pursuant to the Refunding Bond Ordinance, to
18 refund the 1997 Refunded Bonds, the 1998A Refunded Bonds, the 1998B Refunded
19 Bonds, the 2000 Refunded Bonds and the 2001 Refunded Bonds (collectively, the
20 “Refunded Bonds”); and

21 WHEREAS, to accomplish the refunding of the Refunded Bonds, it is necessary and advisable
22 that certain Acquired Obligations (defined herein) bearing interest and maturing at such
23 time or times as necessary to accomplish the Refunding Plan (defined herein) be
24 purchased out of a portion of the proceeds of the Bonds, with other money of the City, if
25 necessary, and provide for the call, payment (both principal and interest) and redemption
26 of the 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B Refunded
27 Bonds on June 25, 2010, the 2000 Refunded Bonds on December 1, 2010, and the 2001
28 Refunded Bonds on March 1, 2011 (the “Refunding Plan”); and

WHEREAS, pursuant to Section 1400U-1(a) of the Internal Revenue Code of 1986, as amended
(the “Code”), and Section 6.04 of Internal Revenue Service Notice 2009-50, the City has
received from the national recovery zone bond limitation of \$10,000,000,000, a recovery
zone bond allocation of \$33,196,000, with \$13,278,000 of that being allocated for the
issuance of Recovery Zone Economic Development Bonds (“RZED Bonds”), and
pursuant to Section 1400U-1(b) of the Code and Resolution 31197, the City has
designated areas within the City as a “recovery zone” for the purposes of Section 1400U-
1, Section 1400U-2 and Section 1400U-3 of the Code; and

WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated May 3,
2010 (the “Preliminary Official Statement”), for the sale of the Bonds has been prepared
and the proposed sale of the Bonds to Citigroup Global Markets, Inc., on behalf of itself
and J.P. Morgan Securities Inc., Banc of America Merrill Lynch, Barclays Capital Inc.,

1 Loop Capital Markets and Siebert Brandford Shank & Co., LLC (the “Underwriters”),
2 pursuant to a bond purchase agreement, has been recommended to the City Council for
3 its approval, with the interest rates and other terms of and matters relating to the Bonds
set forth in this resolution; NOW, THEREFORE,

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

5 **THAT:**

6 **Section 1. Definitions.** The meaning of capitalized terms used and not otherwise
7 defined in this resolution shall be as set forth in the Bond Ordinances.

8 “**Acquired Obligations**” means those “Acquired Obligations” (as such term is defined in
9 the Refunding Bond Ordinance) purchased to accomplish the refunding of the Refunded Bonds
10 as authorized by this resolution.

11 “**Bond Ordinance**” means Ordinance 123169, as amended by Ordinance 123261, of the
12 City, authorizing the issuance of the Bonds (other than the Bonds issued to refund the Refunded
13 Bonds).

14 “**2010A Bonds**” means the \$181,625,000 par value Municipal Light and Power Revenue
15 Bonds, 2010A (Taxable Build America Bonds—Direct Payment), issued pursuant to and for the
16 purposes provided in the Bond Ordinance and this resolution.

17 “**2010B Bonds**” means the \$596,870,000 par value Municipal Light and Power
18 Improvement and Refunding Revenue Bonds, 2010B, issued pursuant to and for the purposes
19 provided in the Bond Ordinance, the Refunding Bond Ordinance and this resolution.

20 “**2010C Bonds**” means the \$13,275,000 par value Municipal Light and Power Revenue
21 Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment),
22 issued pursuant to and for the purposes provided in the Bond Ordinance, Resolution 31197 and
23 this resolution.

24 “**Bonds**” means the 2010A Bonds, the 2010B Bonds and the 2010C Bonds.

25 “**Code**” means the Internal Revenue Code of 1986, as amended.
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1 **“Purchase Agreement”** means the Bond Purchase Agreement between the City and the
2 Underwriters, dated the date of this resolution, offering to purchase the Bonds under the terms
3 and conditions provided therein.

4 **“Recovery Zone”** means the area or areas within the City designated by Resolution
5 31197 as a “recovery zone” within the meaning of Section 1400U-1(b) of the Code.

6 **“Recovery Zone Bonds”** means, collectively, Recovery Zone Economic Development
7 Bonds and Recovery Zone Facility Bonds.

8 **“Recovery Zone Economic Development Bonds”** or **“RZED Bonds”** means Recovery
9 Zone Economic Development Bonds, authorized under Section 1400U-2 of the Code.

10 **“Recovery Zone Facility Bonds”** or **“RZF Bonds”** means Recovery Zone Facility
11 Bonds, authorized under Section 1400U-3 of the Code.

12 **“RZ Bond Volume Cap”** means the portion of the national recovery zone bond volume
13 cap limitation allocation to The City of Seattle for issuance of Recovery Zone Bonds pursuant to
14 Section 1400U-1 of the Code, as set forth in Notice 2009-50 of the Internal Revenue Service.

15 **“Refunded Bonds Legislation”** means the 1997 Refunded Bond Legislation, the 1998A
16 Refunded Bond Legislation, the 1998B Refunded Bond Legislation, the 2000 Refunded Bond
17 Legislation and the 2001 Refunded Bond Legislation, all authorizing the issuance and sale of the
18 Refunded Bonds.

19 **“Refunded Bonds”** means the 1997 Refunded Bonds, the 1998A Refunded Bonds, the
20 1998B Refunded Bonds, the 2000 Refunded Bonds and the 2001 Refunded Bonds, all identified
21 in Exhibit A attached hereto.

22 **“Refunding Bond Ordinance”** means Ordinance 121941 pursuant to which the City
23 authorized the issuance and sale of municipal light and power refunding revenue bonds, as
24 subsequently amended by Ordinance 122838.

25 **“Refunding Plan”** means:

26 (a) the deposit of proceeds of the 2010B Bonds, together with other money of the
27 City (if necessary) sufficient to acquire the Acquired Obligations;

1 (b) the payment of the interest on the 1997 Refunded Bonds, the 1998A Refunded
2 Bonds and the 1998B Refunded Bonds when due up to and including June 25, 2010, and the call,
3 payment and redemption on June 25, 2010 of all of the outstanding 1997 Refunded Bonds,
4 1998A Refunded Bonds and 1998B Refunded Bonds at a price of par;

5 (c) the payment of the interest on the 2000 Refunded Bonds when due up to and
6 including December 1, 2010, and the call, payment and redemption on December 1, 2010, of all
7 of the outstanding 2000 Refunded Bonds at a price of par;

8 (d) the payment of the interest on the 2001 Refunded Bonds when due up to and
9 including March 1, 2011, and the call, payment and redemption on March 1, 2011, of all of the
10 outstanding 2001 Refunded Bonds at a price of par.

11 **“Refunding Trust Agreement”** means the Refunding Trust Agreement between the City
12 and the Refunding Trustee relating to the Refunded Bonds, substantially in the form attached
13 hereto as Exhibit E.

14 **“Refunding Trustee”** means U.S. Bank National Association, serving as trustee or
15 escrow agent, or any successor trustee or escrow agent.

16 **“Underwriters”** means Citigroup Global Markets, Inc., on behalf of itself and J.P.
17 Morgan Securities Inc., Banc of America Merrill Lynch, Barclays Capital Inc., Loop Capital
18 Markets and Siebert Brandford Shank & Co., LLC.

19 **Section 2. The Bonds.** The Bonds shall be issued in three series, individually defined as
20 the “2010A Bonds,” the “2010B Bonds,” and the “2010C Bonds,” and, collectively, as the
21 “Bonds.” The 2010A Bonds shall be called “The City of Seattle, Washington, Municipal Light
22 and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment),” and shall
23 be issued in the aggregate principal amount of \$181,625,000. The 2010B Bonds shall be called
24 “The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding
25 Revenue Bonds, 2010B,” and shall be issued in the aggregate principal amount of \$596,870,000.
26 The 2010C Bonds shall be called “The City of Seattle, Washington, Municipal Light and Power
27 Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct
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1 Payment)” and shall be issued in the aggregate principal amount of \$13,275,000. The Bonds
 2 shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity
 3 and series; shall be dated the date of initial delivery; shall be registered as to both principal and
 4 interest; and shall bear interest from their date until the Bonds bearing such interest have been
 5 paid or their payment has been duly provided for, payable semiannually on each February 1 and
 6 August 1, commencing February 1, 2011.

7 The 2010A Bonds shall mature on February 1 of the following years and in the following
 8 amounts and shall bear interest as follows:

9 2010A Bonds

10 Maturities	Principal Amounts	Interest Rates	Maturities	Principal Amounts	Interest Rates
11 2021	\$4,570,000	4.447%	2027	\$8,500,000	5.247%
12 2022	7,235,000	4.597	***	***	***
13 2023	7,460,000	4.747	2030	27,375,000	5.47
14 2024	7,695,000	4.947	***	***	***
15 2025	7,950,000	5.047	2040	102,620,000	5.57
16 2026	8,220,000	5.147			

17 The 2010B Bonds shall mature on February 1 of the following years and in the following
 18 amounts and shall bear interest as follows:

19 2010B Bonds

20 Maturities	Principal Amounts	Interest Rates	Maturities	Principal Amounts	Interest Rates	
21 2011	\$ 9,350,000	2.00%	2018	\$38,815,000	5.00%	
22 2012	35,500,000	4.00	2018	5,000,000	4.00	
23 2013	31,880,000	4.00	2019	42,655,000	5.00	
24 2013	10,000,000	3.00	2019	1,500,000	4.00	
25 2014	40,540,000	5.00	2020	43,850,000	5.00	
26 2014	3,190,000	3.00	2020	2,575,000	4.00	
27 2015	43,840,000	5.00	2021	34,520,000	5.00	
28 2015	1,385,000	3.00	2022	33,755,000	5.00	
	2016	38,255,000	5.00	2023	33,000,000	5.00
	2016	10,000,000	4.00	2024	34,705,000	5.00
	2017	46,265,000	5.00	2025	29,405,000	5.00
	2017	4,405,000	4.00	2026	22,480,000	5.00

Portions of the above 2010B Bonds maturity amounts are allocated to pay the respective
 costs of certain capital improvements to and conservation programs for the Light System and of

1 carrying out the Refunding Plan, including a ratable share of proceeds used to pay the costs of
2 issuance of the 2010B Bonds, all in accordance with the schedule set forth in Exhibit B of this
3 resolution.

4 The 2010C Bonds shall mature on February 1 of the following years and in the following
5 amounts and shall bear interest as follows:

<u>2010C Bonds</u>		
	<u>Principal</u>	
<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2040	\$13,275,000	5.59%

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9 **Section 3. Optional Redemption.**

10 (a) Optional Redemption of 2010A Bonds and 2010C Bonds with Make-Whole
11 Premium. The City reserves the right and option to redeem the 2010A Bonds and 2010C Bonds
12 prior to their stated maturity dates, as a whole or in part, on any Business Day at the Make-
13 Whole Redemption Price determined by the Designated Investment Banker.

14 “Make-Whole Redemption Price” means the greater of: (i) the issue price of the 2010A
15 Bonds or 2010C Bonds (but not less than 100% of the principal amount of the 2010A Bonds or
16 the 2010C Bonds to be redeemed), or (ii) the sum of the present values of the remaining
17 scheduled payments of principal and interest on the 2010A Bonds or the 2010C Bonds to be
18 redeemed (taking into account any mandatory sinking fund redemptions on a pro rata basis), not
19 including any portion of those payments of interest accrued and unpaid as of the date on which
20 the 2010A Bonds or the 2010C Bonds are to be redeemed, discounted on a semi-annual basis to
21 the date on which such 2010A Bonds or 2010C Bonds are to be redeemed, assuming a 360-day
22 year consisting of twelve 30-day months, at the Treasury Rate plus 25 basis points, plus accrued
23 and unpaid interest on the 2010A Bonds or 2010C Bonds to be redeemed on the redemption date.

24 “Treasury Rate” means, with respect to any redemption date for a particular 2010A Bond
25 or 2010C Bond, the rate per annum expressed as a percentage of the principal amount, equal to
26 the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury
27 Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a
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1 price equal to the Comparable Treasury Price, as calculated by the Designated Investment
2 Banker.

3 “Comparable Treasury Issue” means, with respect to any redemption date for a particular
4 2010A Bond or 2010C Bond, the United States Treasury security or securities selected by the
5 Designated Investment Banker that has an actual or interpolated maturity comparable to the
6 remaining average life of such 2010A Bond or 2010C Bond, and that would be utilized in
7 accordance with customary financial practice in pricing new issues of debt securities of
8 comparable maturity to the remaining average life of such 2010A Bond or 2010C Bond to be
9 redeemed.

10 “Comparable Treasury Price” means, with respect to any redemption date for a particular
11 2010A Bond or 2010C Bond, (i) if the Designated Investment Banker receives at least five
12 Reference Treasury Dealer Quotations, the average of such quotations for such redemption date,
13 after excluding the highest and lowest such Reference Treasury Dealer Quotation, or (ii) if the
14 Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations,
15 the average of all such quotations.

16 “Designated Investment Banker” means one of the Reference Treasury Dealers appointed
17 by the City.

18 “Reference Treasury Dealer” means each of five firms, specified by the City from time to
19 time, that are primary United States Government securities dealers in the City of New York
20 (each, a “Primary Treasury Dealer”), which may include one or more of the Underwriters;
21 provided, that if any of them ceases to be a Primary Treasury Dealer, the City will substitute
22 another Primary Treasury Dealer.

23 “Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury
24 Dealer and any redemption date for a particular 2010A Bond or 2010C Bond, the average, as
25 determined by the Designated Investment Banker, of the bid and asked prices for the
26 Comparable Treasury Issue (expressed in each case as a percentage of its principal amount)
27 quoted in writing to the City and the Bond Registrar by such Reference Treasury Dealer at 3:30
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1 p.m., New York City time, on a date that is no earlier than four days prior to the date the
2 redemption notice is mailed.

3 (b) Extraordinary Optional Redemption of 2010A Bonds or 2010C Bonds. The
4 2010A Bonds or 2010C Bonds are subject to redemption at any time prior to their stated maturity
5 at the option of the City, in whole or in part, upon the occurrence of an Extraordinary Event, at a
6 redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of (i)
7 100% of the principal amount of the 2010A Bonds or 2010C Bonds to be redeemed, or (ii) the
8 sum of the present values of the remaining scheduled payments of principal of and interest on the
9 2010A or 2010C Bonds to be redeemed (taking into account any mandatory sinking fund
10 redemptions on a pro rata basis), not including any portion of those payments of interest accrued
11 and unpaid as of the date on which the 2010A Bonds or 2010C Bonds are to be redeemed, on a
12 semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury
13 Rate plus 100 basis points, plus accrued and unpaid interest on the 2010A Bonds or 2010C
14 Bonds to be redeemed to the redemption date.

15 An “Extraordinary Event” will have occurred if (i) Section 54AA, Section 1400U-2 or
16 Section 6431 of the Code (as such sections were added by Section 1531 of the American
17 Recovery and Reinvestment Act of 2009 pertaining to “Build America Bonds” or “Recovery
18 Zone Economic Development Bonds”) is modified or amended in a manner pursuant to which
19 the City’s 35% or 45% (as applicable) cash subsidy from the United States Treasury is reduced
20 or eliminated, or (ii) guidance is published by the Internal Revenue Service or the United States
21 Treasury Department with respect to such sections that places one or more substantive new
22 conditions on the receipt by the City of such 35% or 45% cash subsidy payments and such
23 conditions(s) are unacceptable to the City.

24 (c) Optional Redemption of 2010B Bonds. 2010B Bonds maturing on or before
25 February 1, 2020, shall be issued without the right or option of the City to redeem those 2010B
26 Bonds prior to their stated maturity dates. The City reserves the right and option to redeem the
27 2010B Bonds maturing on or after February 1, 2021, prior to their stated maturity dates at any
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1 time on or after February 1, 2020, as a whole or in part, at a price of par plus accrued interest to
2 the date fixed for redemption.

3 (d) Conditional Calls. In the case of an optional redemption, the notice may state that
4 the City retains the right to rescind the redemption notice and the related optional redemption of
5 Bonds by giving a notice of rescission to the affected registered owners at any time prior to the
6 scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall
7 be of no effect, and the Bonds for which the notice of optional redemption has been rescinded
8 shall remain outstanding.

9 **Section 4. Mandatory Redemption**. In addition to optional redemption, the 2010A
10 Bonds identified below, designated as Term Bonds, shall be redeemed prior to maturity (or paid
11 at maturity), not later than February 1 in the years 2030 and 2040 and in the sinking fund
12 installments set forth below, without premium, together with the interest accrued to the date
13 fixed for redemption.

14 2010A Term Bonds Maturing 2030

Mandatory Redemption Years	Mandatory Redemption Amounts
2028	\$8,805,000
2029	9,120,000
2030*	9,450,000

17 *maturity

18 2010A Term Bonds Maturing 2040

Mandatory Redemption Years	Mandatory Redemption Amounts
2031	\$ 9,795,000
2032	10,160,000
2033	10,530,000
2034	10,920,000
2035	11,325,000
2036	11,740,000
2037	12,175,000
2038	12,625,000
2039	13,090,000
2040*	260,000

25 *final maturity

26 Upon the purchase or redemption of the Term Bonds for which mandatory sinking fund
27 installments have been established, other than by reason of the mandatory sinking fund
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1 installment redemption described above, an amount equal to the principal amount of the Term
2 bonds so purchased or redeemed shall be credited toward each of the mandatory sinking fund
3 installments with respect to such Term Bonds of such maturity on a pro rata basis if that basis is
4 consistent with the securities depository's procedures and, if not, randomly.

5 **Section 5. Selection of Bonds for Redemption.**

6 (a) 2010A Bonds or 2010C Bonds. If the 2010A Bonds or 2010C Bonds are not
7 registered in book-entry only form, any redemption of less than all of a maturity of the 2010A
8 Bonds or 2010C Bonds shall be allocated among the registered owners of such 2010A Bonds or
9 2010C Bonds as nearly as practicable in proportion to the principal amounts of the 2010A Bonds
10 or 2010C Bonds owned by each registered owner, subject to the authorized denominations
11 applicable to the 2010A Bonds or 2010C Bonds. This will be calculated based on the following
12 formula:

$$\frac{(\text{principal amount to be redeemed}) \times (\text{principal amount owned by owner})}{(\text{principal amount outstanding})}$$

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15 If the 2010A Bonds or 2010C Bonds are registered in book-entry only form, and so long
16 as DTC or a successor securities depository is the sole registered owner of the 2010A Bonds or
17 2010C Bonds, partial redemptions will be done in accordance with DTC procedures. It is the
18 City's intent that redemption allocations made by DTC, the DTC Participants or such other
19 intermediaries that may exist between the City and the beneficial owners be made in accordance
20 with these same proportional provisions.

21 (b) 2010B Bonds. If fewer than all of the 2010B Bonds are to be redeemed prior to
22 maturity, the City will select the maturity or maturities to be redeemed. If fewer than all of a
23 single maturity of 2010B Bonds are to be redeemed prior to maturity, then:

- 24 (i) if such 2010B Bonds are in book-entry form at the time of such redemption, DTC
25 shall select the specific 2010B Bonds in accordance with the Letter of
26 Representations, and
27 (ii) if such 2010B Bonds are not in book-entry form at the time of such redemption,
28 on each redemption date, the Bond Registrar shall select the specific 2010B
Bonds for redemption randomly or in such manner as the Bond Registrar in its
discretion may deem to be fair and appropriate.

1 The portion of any 2010B Bond of a denomination more than \$5,000 to be redeemed will
2 be in the principal amount of \$5,000 or any integral multiple thereof, to be selected, as the case
3 may be, by DTC in accordance with the Letter of Representations or by the Bond Registrar in
4 such manner as the Bond Registrar in its discretion may deem to be fair and appropriate.

5 **Section 6. Form of Bonds.** The 2010A Bonds shall be substantially in the form attached
6 hereto as Exhibit C-1, the 2010B Bonds shall be substantially in the form attached here as
7 Exhibit C-2, and the 2010C Bonds shall be substantially in the form attached here as Exhibit C-3,
8 all of which are incorporated herein by this reference.

9 **Section 7. Tax Matters.**

10 (a) Designation of 2010A Bonds as “Build America Bonds.” The City hereby
11 irrevocably elects to have Section 54AA of the Code apply to the 2010A Bonds so that the
12 2010A Bonds are treated as “Build America Bonds,” and further to have Subsection 54AA(g) of
13 the Code apply to the 2010A Bonds so that the 2010A Bonds are treated as “qualified bonds”
14 with respect to which the City will be allowed a credit payable by the United States Treasury to
15 or to the order of the City pursuant to Section 6431 of the Code in an amount equal to 35% of the
16 interest payable on the 2010A Bonds on each interest payment date. The City Council hereby
17 authorizes and directs the Director of Finance (or his or her designee) to take such actions as are
18 necessary or appropriate for the City to receive or cause to be received from the United States
19 Treasury the applicable federal credit payments in respect of the 2010A Bonds, including but not
20 limited to the timely filing with the Internal Revenue Service of Form 8038-CP – “Return for
21 Credit Payments to Issuers of Qualified Bonds” and the execution of a Calculation Agency
22 Agreement substantially in the form attached hereto as Exhibit D-1.

23 (b) Preservation of Tax Exemption for Interest on 2010B Bonds. The City covenants
24 that it will take all actions necessary to prevent interest on the 2010B Bonds from being included
25 in gross income for federal income tax purposes, and that it will neither take any action nor make
26 or permit any use of proceeds of the 2010B Bonds or other funds of the City treated as proceeds
27 of the 2010B Bonds at any time during the term of the 2010B Bonds that will cause interest on
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1 the 2010B Bonds to be included in gross income for federal income tax purposes. The City also
2 covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is
3 applicable to the 2010B Bonds, take all actions necessary to comply (or to be treated as having
4 complied) with that requirement in connection with the 2010B Bonds, including the calculation
5 and payment of any penalties that the City has elected to pay as an alternative to calculating
6 rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the
7 Code to prevent interest on the 2010B Bonds from being included in gross income for federal
8 income tax purposes.

9 (c) Designation of 2010C Bonds as "Recovery Zone Economic Development
10 Bonds"; Tax Covenants. The City Council hereby finds that certain components of the Plan of
11 Additions may be appropriately financed with the proceeds of Recovery Zone Economic
12 Development Bonds. The City has received an RZ Bond Volume Cap of \$13,278,000. Pursuant
13 to this RZ Bond Volume Cap, the City, by Resolution 31197, adopted on March 22, 2010, has
14 designated a geographic area within the City as a "recovery zone." Accordingly, the City hereby
15 irrevocably elects to have Section 54AA of the Code apply to the 2010C Bonds so that the
16 2010C Bonds are treated as "Build America Bonds," and further to designate the 2010C Bonds
17 as "Recovery Zone Economic Development Bonds" for the purposes of Section 1400U-2 of the
18 Code so that the 2010C Bonds are treated as "qualified bonds" with respect to which the City
19 will be allowed a credit payable by the United States Treasury to or to the order of the City
20 pursuant to Section 6431 of the Code in an amount equal to 45% of the interest payable on the
21 2010C Bonds on each interest payment date. The City Council hereby authorizes and directs the
22 Director of Finance (or his or her designee) to take such actions as are necessary or appropriate
23 for the City to receive or cause to be received from the United States Treasury the applicable
24 federal credit payments in respect of the 2010C Bonds, including but not limited to the timely
25 filing with the Internal Revenue Service of Form 8038-CP – "Return for Credit Payments to
26 Issuers of Qualified Bonds" and the execution of a Calculation Agency Agreement substantially
27 in the form attached hereto as Exhibit D-2. The City covenants to use the proceeds of the 2010C
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1 Bonds within the designated Recovery Zone for purposes required by Section 1400U-2 of the
2 Code.

3 **Section 8. Sale and Delivery of Bonds.** Citigroup Global Markets, Inc., on its own
4 behalf and on behalf of the other Underwriters, has presented the Bond Purchase Agreement to
5 the City, which written Bond Purchase Agreement is on file with the City Clerk and is
6 incorporated herein by this reference. The City Council finds that entering into the Bond
7 Purchase Agreement is in the City's best interest and therefore accepts the offer contained
8 therein, approves, confirms and ratifies the award of the Bonds to the Underwriters, confirms the
9 terms of the sale as set forth in the Bond Purchase Agreement, and authorizes its execution by
10 the Director of Finance or Debt Manager.

11 **Section 9. 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
14 Official Statement and supplemented or amended as he, with the approval of Bond Counsel,
15 deems necessary or appropriate. Any action of the Director of Finance "deeming final" the
16 Preliminary Official Statement with respect to the Bonds is ratified and confirmed.

17 **Section 10. Use of Bond Proceeds; Refunding Plan.** The principal proceeds of the
18 Bonds received by the City and, if necessary, other money of the City shall be applied as follows
19 (the amounts to be determined by the Director of Finance prior to the issuance of the Bonds):
20 (i) an amount of 2010B Bonds sufficient to carry out the Refunding Plan shall be deposited
21 immediately upon the receipt thereof with the Refunding Trustee and used to discharge the
22 obligations of the City relating to the Refunded Bonds under the Refunded Bonds Legislation
23 pursuant to the Refunding Plan, as defined herein and modified or amplified by the Refunding
24 Trust Agreement; (ii) an amount sufficient to fund the additional amount necessary to satisfy the
25 Reserve Fund Requirement shall be deposited into the Reserve Subaccount; and (iii) the balance
26 of the Bond proceeds shall be deposited in the account(s) within the Light Fund as designated by
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1 the Director of Finance and shall be used to pay part of the costs of the Plan of Additions and
2 costs of issuing the Bonds, and for any other purposes described in the Bond Ordinances.

3 **Section 11. Call for Redemption of the Refunded Bonds.** In accordance with the
4 Refunded Bond Legislation, as part of the Refunding Plan, the City calls the Refunded Bonds for
5 redemption on the dates and at the redemption prices set forth in the Refunding Plan, plus
6 accrued interest to the date of redemption.

7 Such calls for redemption shall be irrevocable after the delivery of the 2010B Bonds to
8 the Underwriters.

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

13 **Section 12. City Findings With Respect to Refunding.** The City finds and determines
14 that the issuance and sale of the 2010B Bonds allocated to the Refunding Plan will effect a
15 savings to the City and will be in the best interest of the City and in the public interest through
16 the restructuring of debt service. In making such finding and determination, the City has given
17 consideration to the fixed maturities and scheduled redemptions of the 2010B Bonds allocated to
18 the Refunding Plan and the Refunded Bonds and allocable costs of issuance, and the known
19 earned income from the investment of the proceeds of the issuance and sale of the 2010B Bonds
20 allocated to the Refunding Plan and other money, if any, of the City used in the Refunding Plan
21 pending payment and redemption of the Refunded Bonds. The City further finds and determines
22 that the money to be deposited with the Refunding Trustee for the Refunded Bonds in
23 accordance with the Refunding Bond Ordinance and this resolution will discharge and satisfy the
24 obligations of the City with respect to the Refunded Bonds under the Refunded Bonds
25 Legislation and the pledges, charges, trusts, covenants and agreements of the City previously
26 made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be
27 deemed to be outstanding under the Refunded Bonds Legislation immediately upon the deposit
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1 of such money with the Refunding Trustee. Accordingly, the City finds and determines that the
2 issuance and sale of the 2010B Bonds allocable to the Refunding Plan is in the best interest of
3 the City and in the public interest. In making such finding and determination, the City has given
4 consideration to the interest rates, the maturities and scheduled redemptions of the 2010B Bonds
5 and the Refunded Bonds, and the costs of issuance of the 2010B Bonds.

6 **Section 13. City Finding as to Sufficiency of Gross Revenue.** The City Council finds
7 and determines that the issuance and sale of the Bonds at this time is in the best interest of the
8 City and in the public interest. In making such findings and determinations, the City Council has
9 exercised due regard for the cost of operation and maintenance of the Light System and to any
10 portion of the Gross Revenues pledged for the payment of any bonds, warrants or other
11 indebtedness, and that the Gross Revenues, at the rates established from time to time consistent
12 with Section 15(d) of Ordinance 123169, will be sufficient, in the judgment of the City Council,
13 to meet all expenses of operation and maintenance of the Light System and to provide the
14 amounts previously pledged for the payment of all outstanding obligations payable out of the
15 Gross Revenues and pledged therein for the payment of the Bonds.

16 **Section 14. Undertaking to Provide Continuing Disclosure.** This Section 14
17 constitutes the written undertaking (the "Undertaking") for the benefit of the holders of the
18 Bonds as required by paragraph (b)(5) of SEC Rule 15c2-12, (the "Rule"), and pursuant to the
19 Bond Ordinance and the Refunding Bond Ordinance. For purposes of this Undertaking, the term
20 "holders of the Bonds" shall have the meaning intended for such term under the Rule. The City
21 as an "obligated person" within the meaning of the Rule undertakes to provide or cause to be
22 provided, either directly or through a designated agent:

23 (a) To the Municipal Securities Rulemaking Board (the "MSRB"), annual financial
24 information and operating data regarding the Light System of the type included in the Official
25 Statement for the Bonds as follows: (i) annual financial statements of the Light System, prepared
26 in accordance with generally accepted accounting principles applicable to local governmental
27 units of the State of Washington (the "State") (except as otherwise noted therein), as such
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1 principles may be changed from time to time and as permitted by State law, which statements
2 will not be audited, except that if and when audited financial statements are otherwise prepared
3 and available to the City, they will be provided; (ii) a statement of authorized, issued and
4 outstanding bonded debt secured by Gross Revenues of the Light System; (iii) debt service
5 coverage ratios for the bonded debt secured by Gross Revenues of the Light System; (iv) sources
6 of Light System power and MWh produced by these sources; and (v) general customer statistics,
7 including the average number of customers, revenues and energy sales by customer class.

8 Annual financial information, as described above, will be provided to the MSRB not later
9 than the last day of the ninth month after the end of each fiscal year of the City, as such fiscal
10 year may be changed as permitted or required by State law, commencing with the City's fiscal
11 year ending December 31, 2010. The annual financial information may be provided in a single
12 document or in multiple documents, and may be incorporated by specific reference to documents
13 available to the public on the internet website of the MSRB or filed with the Securities and
14 Exchange Commission.

15 (b) To the MSRB, timely notice of the occurrence of any of the following events with
16 respect to the Bonds, if material: (i) principal and interest payment delinquencies; (ii) non-
17 payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial
18 difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
19 (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax
20 opinions or events affecting the tax-exempt status of the 2010B Bonds; (vii) modifications to the
21 rights of the holders of the Bonds; (viii) Bond calls (other than scheduled mandatory redemptions
22 of Term Bonds); (ix) defeasances; (x) release, substitution, or sale of property securing
23 repayment of the Bonds; and (xi) rating changes.

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

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

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

13 This Undertaking shall inure to the benefit of the City and any holder of the Bonds, and
14 shall not inure to the benefit of or create any rights in any other person.

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

23 **Section 16. General Authorization.** The Mayor and the Director of Finance and each
24 of the other appropriate officers of the City are each authorized and directed to do everything as
25 in their judgment may be necessary, appropriate or desirable in order to carry out the terms and
26 provisions of, and complete the transactions contemplated by, the Bond Ordinance, the
27 Refunding Bond Ordinance and this resolution.

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LIST OF EXHIBITS

- Exhibit A – Refunded Bonds
- Exhibit B – Allocation of 2010B Bonds
- Exhibit C-1 – 2010A Bond Form
- Exhibit C-2 – 2010B Bond Form
- Exhibit C-3 – 2010C Bond Form
- Exhibit D-1 – 2010A Calculation Agency Agreement
- Exhibit D-2 – 2010C Calculation Agency Agreement
- Exhibit E – Form of Refunding Trust Agreement

EXHIBIT I

U.S. BANK NATIONAL ASSOCIATION FEE SCHEDULE

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EXHIBIT A
Refunded Bonds

Designation/ Name of Issue	Date of Issue	Original Principal Amount	Principal Amount Refunded	Maturities to be Refunded "Refunded Bonds"	Redemption Date And Redemption Price
Municipal Light and Power Revenue Bonds, 1997	December 1, 1997	\$30,000,000	\$22,565,000	2010 through 2016, inclusive, 2018 and 2022	at 100% of par
Municipal Light and Power Refunding Revenue Bonds, 1998, Series A	January 1, 1998	\$104,650,000	\$77,325,000	2010 through 2020, inclusive	at 100% of par
Municipal Light and Power Revenue Bonds, 1998, Series B	October 1, 1998	\$90,000,000	\$72,590,000	2010 through 2019, inclusive, 2021 and 2024	at 100% of par
Municipal Light and Power Revenue Bonds, 2000	December 1, 2000	\$98,830,000	\$86,475,000	2010 through 2021, inclusive, and 2025	at 100% of par
Municipal Light and Power Refunding Revenue Bonds, 2001*	March 15, 2001	\$503,700,000	\$311,730,000	2011 through 2022, inclusive, and 2026	at 100% of par

*Par amounts for 2001 Refunded Bonds reflect partial maturities.

EXHIBIT B

Allocation of 2010B Bonds

Maturity	New Money Allocation	Refunding Allocation	Total
2011	\$2,760,000	\$ 6,590,000	\$9,350,000
2012	4,560,000	30,940,000	35,500,000
2013	4,750,000	37,130,000	41,880,000
2014	4,970,000	38,760,000	43,730,000
2015	5,220,000	40,005,000	45,225,000
2016	5,490,000	42,765,000	48,255,000
2017	5,770,000	44,900,000	50,670,000
2018	6,065,000	37,750,000	43,815,000
2019	6,380,000	37,775,000	44,155,000
2020	6,705,000	39,720,000	46,425,000
2021	2,430,000	32,090,000	34,520,000
2022	--	33,755,000	33,755,000
2023	--	33,000,000	33,000,000
2024	--	34,705,000	34,705,000
2025	--	29,405,000	29,405,000
2026	--	22,480,000	22,480,000

EXHIBIT C-1

2010A BOND FORM

No. R- _____ \$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the 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

MUNICIPAL LIGHT AND POWER REVENUE BOND, 2010A
(TAXABLE BUILD AMERICA BONDS-DIRECT PAYMENT)

Interest Rate: _____ % Maturity Date: February 1, 20 ____ CUSIP NO.: _____

Registered Owner: CEDE & CO.

Principal Amount: _____ THOUSAND AND NO/100 DOLLARS

The CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of Washington, for value received, promises to pay to 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 February 1 and August 1, commencing February 1, 2011, 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.

Both 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 Owner upon presentation and surrender of this Bond at the principal office of the fiscal agency of the City (presently The Bank of New York Mellon, New York, New York) or such other paying agent as designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar"). Payment of each installment of interest shall be made to the Registered Owner whose name appears on the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the close of business on the 15th day of the month next preceding the interest payment date (the "Record Date") and

1 shall be paid by check or draft of the Bond Registrar mailed on the interest payment date to the Registered
2 Owner at the address appearing on the Bond Register or, when requested in writing to the Bond Registrar
3 before the applicable Record Date by the Registered Owner of \$1,000,000 or more principal amount of
4 the Bonds by wire transfer on the interest payment date. Notwithstanding the foregoing, as long as this
5 Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”),
6 payment of principal, premium, if any, and interest shall be made in accordance with the Letter of
7 Representations.

8 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington,
9 Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment (the
10 “Bonds”), aggregating \$181,625,000 in principal amount, maturing on February 1 in the years 2021
11 through 2027, inclusive, 2030 and 2040, of like date, tenor and effect, except as to numbers,
12 denominations, options of redemption, maturity dates and interest rates. The Bonds are issued by the City
13 pursuant to Ordinance 123169, as amended, and Resolution 31213 of the City (collectively, the “Bond
14 Legislation”) for the purpose of providing all or part of the funds to pay part of the cost to (i) finance
15 certain capital improvements to and conservation programs for the Light System; (ii) make a deposit to
16 the Reserve Fund; and (iii) pay the issuance costs of selling the Bonds, all as described in the Bond
17 Legislation. The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral
18 multiple thereof within a single maturity.

19 The Bonds are special limited obligations of the City and are payable solely out of the Parity
20 Bond Fund and, if necessary, out of the Reserve Fund, into which funds the City irrevocably pledges to
21 set aside and pay certain fixed amounts out of the Gross Revenues of the Light System sufficient to pay
22 the Bonds when due, all at the times and in the manner set forth in the Bond Legislation.

23 The Gross Revenues of the Light System are pledged to make the required payments into the
24 Parity Bond Fund and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues
25 prior and superior to all other charges whatsoever, save and except reasonable charges for maintenance
26 and operation of the Light System. Further, the Bonds shall have a lien and charge upon such Gross
27 Revenues on a parity with the lien and charge of the Outstanding Parity Bonds and any Future Parity
28 Bonds.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE
SOLELY FROM THE SOURCES IDENTIFIED HEREIN AND IN THE BOND LEGISLATION AND
ARE NOT GENERAL OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON OR ANY
OTHER POLITICAL SUBDIVISION THEREOF. THE BONDS DO NOT CONSTITUTE A LIEN OR
CHARGE UPON ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF
THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF NOT
SPECIFICALLY PLEDGED THERETO BY THE BOND LEGISLATION.

The Bonds are subject to redemption as provided in the Bond Legislation.

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 Bond
may not be assigned except on the Bond Register.

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

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

14 It is certified and declared that all acts, conditions and things required to be done precedent to and
15 in the issuance of this Bond have been done, have happened and have been performed as required by law.

16 IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by
17 the facsimile signatures of its Mayor and Acting Director of Finance and a facsimile reproduction of the
seal of the City to be printed hereon, this ____ day of May, 2010.

18 THE CITY OF SEATTLE, WASHINGTON

19 Mayor

20 Director of Finance

21 Date of Authentication: _____

22 CERTIFICATE OF AUTHENTICATION

23 This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and
24 Power Revenue Bonds, 2010A (Taxable Build America Bonds-Direct Payment), described in the Bond
25 Legislation.

26 WASHINGTON STATE FISCAL AGENT
Bond Registrar

27 By _____
Authorized Signer

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ASSIGNMENT

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

(name, address and social security or other identifying number of assignee)

the within-mentioned Bond and irrevocably constitutes and appoints _____
_____ to transfer the same on the Bond Register with full power of
substitution in the premises.

DATED: _____.

Registered Owner

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

Signature Guaranteed:

(NOTE: Signature must be guaranteed pursuant to law.)

EXHIBIT C-2

2010B Bond Form

No. R- _____ \$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the 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

**MUNICIPAL LIGHT AND POWER IMPROVEMENT AND
REFUNDING REVENUE BOND, 2010B**

Interest Rate: _____ % **Maturity Date:** February 1, 20__ **CUSIP NO.:** _____

Registered Owner: CEDE & CO.

Principal Amount: _____ THOUSAND AND NO/100 DOLLARS

The CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of Washington, for value received, promises to pay to 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 February 1 and August 1, commencing February 1, 2011, 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.

Both 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 Owner upon presentation and surrender of this Bond at the principal office of the fiscal agency of the City (presently The Bank of New York Mellon, New York, New York) or such other paying agent as designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar"). Payment of each installment of interest shall be made to the Registered Owner whose name appears on the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the close of

1 business on the 15th day of the month next preceding the interest payment date (the "Record Date") and
2 shall be paid by check or draft of the Bond Registrar mailed on the interest payment date to the Registered
3 Owner at the address appearing on the Bond Register or, when requested in writing to the Bond Registrar
4 before the applicable Record Date by the Registered Owner of \$1,000,000 or more principal amount of
5 the Bonds by wire transfer on the interest payment date. Notwithstanding the foregoing, as long as this
6 Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"),
7 payment of principal, premium, if any, and interest shall be made in accordance with the Letter of
8 Representations.

9 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington,
10 Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B (the "Bonds"),
11 aggregating \$596,870,000 in principal amount, maturing on February 1 in the years 2011 through 2026,
12 inclusive, of like date, tenor and effect, except as to numbers, denominations, options of redemption,
13 maturity dates and interest rates. The Bonds are issued by the City pursuant to Ordinance 121941, as
14 amended, Ordinance 123169, as amended, and Resolution 31213 of the City (collectively, the "Bond
15 Legislation") for the purpose of providing all or part of the funds to pay part of the cost to (i) finance
16 certain capital improvements to and conservation programs for the Light System; (ii) refund certain of the
17 City's outstanding Municipal Light and Power Bonds as described in the Bond Legislation; (iii) make a
18 deposit to the Reserve Fund; and (iv) pay the issuance costs of selling the Bonds, all as described in the
19 Bond Legislation. The Bonds are issued in fully registered form in the denomination of \$5,000 or any
20 integral multiple thereof within a single maturity.

21 The Bonds are special limited obligations of the City and are payable solely out of the Parity
22 Bond Fund and, if necessary, out of the Reserve Fund, into which funds the City irrevocably pledges to
23 set aside and pay certain fixed amounts out of the Gross Revenues of the Light System sufficient to pay
24 the Bonds when due, all at the times and in the manner set forth in the Bond Legislation.

25 The Gross Revenues of the Light System are pledged to make the required payments into the
26 Parity Bond Fund and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues
27 prior and superior to all other charges whatsoever, save and except reasonable charges for maintenance
28 and operation of the Light System. Further, the Bonds shall have a lien and charge upon such Gross
Revenues on a parity with the lien and charge of the Outstanding Parity Bonds and any Future Parity
Bonds.

29 THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE
30 SOLELY FROM THE SOURCES IDENTIFIED HEREIN AND IN THE BOND LEGISLATION AND
31 ARE NOT GENERAL OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON OR ANY
32 OTHER POLITICAL SUBDIVISION THEREOF. THE BONDS DO NOT CONSTITUTE A LIEN OR
33 CHARGE UPON ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF
34 THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF NOT
35 SPECIFICALLY PLEDGED THERETO BY THE BOND LEGISLATION.

36 The Bonds are subject to redemption as provided in the Bond Legislation.

37 Reference is made to the Bond Legislation for other covenants and declarations of the City and
38 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.

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2 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.

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

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

15 It is certified and declared that all acts, conditions and things required to be done precedent to and
16 in the issuance of this Bond have been done, have happened and have been performed as required by law.

17 IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by
18 the facsimile signatures of its Mayor and Acting Director of Finance and a facsimile reproduction of the
19 seal of the City to be printed hereon, this _____ day of May, 2010.

20 THE CITY OF SEATTLE, WASHINGTON

21 Mayor

22 Finance Director

23 Date of Authentication: _____

24 CERTIFICATE OF AUTHENTICATION

25 This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and
26 Power Revenue Bonds, 2010B, described in the Bond Legislation.

27 WASHINGTON STATE FISCAL AGENT
Bond Registrar

28 By _____
Authorized Signer

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ASSIGNMENT

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

(name, address and social security or other identifying number of assignee)

the within-mentioned Bond and irrevocably constitutes and appoints _____
_____ to transfer the same on the Bond Register with full power of
substitution in the premises.

DATED: _____.

Registered Owner

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

Signature Guaranteed:

(NOTE: Signature must be guaranteed pursuant to law.)

1 **EXHIBIT C-3**

2 **2010C Bond Form**

3 **No. R-** _____ **\$** _____

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

12 **UNITED STATES OF AMERICA**

13 **STATE OF WASHINGTON**

14 **THE CITY OF SEATTLE**

15 **MUNICIPAL LIGHT AND POWER REVENUE BOND, 2010C**
16 **(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS-DIRECT PAYMENT)**

17 **Interest Rate:** _____ **Maturity Date:** _____ **CUSIP NO.:** _____
18 _____ % February 1, 2040 _____

19 **Registered Owner: CEDE & CO.**

20 **Principal Amount: _____ THOUSAND AND NO/100 DOLLARS**

21 The CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of
22 Washington, for value received, promises to pay to the Registered Owner identified above on the
23 Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on
24 the basis of a 360-day year of twelve 30-day months) thereon from the later of the date of this Bond or
25 from the most recent interest payment date to which interest has been paid at the Interest Rate per annum
26 set forth above, payable semiannually on each February 1 and August 1, commencing February 1, 2011,
27 to the maturity or earlier redemption of this Bond. If this Bond is duly presented for payment and not
28 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.

Both 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 Owner
upon presentation and surrender of this Bond at the principal office of the fiscal agency of the City
(presently The Bank of New York Mellon, New York, New York) or such other paying agent as
designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar").
Payment of each installment of interest shall be made to the Registered Owner whose name appears on
the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the close of

1 business on the 15th day of the month next preceding the interest payment date (the "Record Date") and
2 shall be paid by check or draft of the Bond Registrar mailed on the interest payment date to the Registered
3 Owner at the address appearing on the Bond Register or, when requested in writing to the Bond Registrar
4 before the applicable Record Date by the Registered Owner of \$1,000,000 or more principal amount of
5 the Bonds by wire transfer on the interest payment date. Notwithstanding the foregoing, as long as this
6 Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"),
7 payment of principal, premium, if any, and interest shall be made in accordance with the Letter of
8 Representations.

9 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington,
10 Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development
11 Bonds-Direct Payment (the "Bonds"), aggregating \$13,275,000 in principal amount, maturing on
12 February 1 in the year 2040. The Bonds are issued by the City pursuant to Ordinance 123169, as
13 amended, and Resolution 31213 of the City (collectively, the "Bond Legislation") for the purpose of
14 providing all or part of the funds to pay part of the cost to (i) finance certain capital improvements to the
15 Light System; (ii) make a deposit to the Reserve Fund; and (iii) pay the issuance costs of selling the
16 Bonds, all as described 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.

18 The Bonds are special limited obligations of the City and are payable solely out of the Parity
19 Bond Fund and, if necessary, out of the Reserve Fund, into which funds the City irrevocably pledges to
20 set aside and pay certain fixed amounts out of the Gross Revenues of the Light System sufficient to pay
21 the Bonds when due, all at the times and in the manner set forth in the Bond Legislation.

22 The Gross Revenues of the Light System are pledged to make the required payments into the
23 Parity Bond Fund and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues
24 prior and superior to all other charges whatsoever, save and except reasonable charges for maintenance
25 and operation of the Light System. Further, the Bonds shall have a lien and charge upon such Gross
26 Revenues on a parity with the lien and charge of the Outstanding Parity Bonds and any Future Parity
27 Bonds.

28 THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY
PAYABLE SOLELY FROM THE SOURCES IDENTIFIED HEREIN AND IN THE BOND
LEGISLATION AND ARE NOT GENERAL OBLIGATIONS OF THE CITY, THE STATE
OF WASHINGTON OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE
BONDS DO NOT CONSTITUTE A LIEN OR CHARGE UPON ANY GENERAL FUND OR
UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, THE STATE OR ANY
OTHER POLITICAL SUBDIVISION THEREOF NOT SPECIFICALLY PLEDGED
THERE TO BY THE BOND LEGISLATION.

The Bonds are subject to redemption as provided in the Bond Legislation.

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 Bond
may not be assigned except on the Bond Register.

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

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

14 It is certified and declared that all acts, conditions and things required to be done precedent to and
15 in the issuance of this Bond have been done, have happened and have been performed as required by law.

16 IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by
17 the facsimile signatures of its Mayor and Acting Director of Finance and a facsimile reproduction of the
seal of the City to be printed hereon, this _____ day of May, 2010.

18 THE CITY OF SEATTLE, WASHINGTON

19 Mayor

20 Director of Finance

21 Date of Authentication: _____

22 CERTIFICATE OF AUTHENTICATION

23 This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and
24 Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds-Direct Payment),
25 described in the Bond Legislation.

26 WASHINGTON STATE FISCAL AGENT

Bond Registrar

27 By _____

Authorized Signer

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EXHIBIT D-1

CALCULATION AGENCY AGREEMENT

This Calculation Agency Agreement (the "Agreement") is entered into as of May 26, 2010, by and between The City of Seattle, Washington (the "Issuer") and The Bank of New York Mellon, as calculation agent (the "Calculation Agent"), in connection with the Issuer's Bonds (defined herein), issued pursuant to Ordinance 123169, as amended by Ordinance 123261 and Resolution 31213 of the Issuer (the "Bond Legislation").

WITNESSETH:

WHEREAS, the Issuer authorized the issuance of its Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds – Direct Payment) described in **Exhibit A** attached hereto (the "Bonds") pursuant to the Bond Legislation; and

WHEREAS, the Issuer is authorized to enter into this Agreement with the Calculation Agent for the preparation and submittal of Internal Revenue Service Forms 8038-CP in connection with credit payments with respect to the Bonds payable pursuant to the American Recovery and Reinvestment Act of 2009;

NOW, THEREFORE, intending to be legally bound, the Issuer and the Calculation Agent agree as follows:

Section 1. Appointment and Acceptance. The Issuer hereby appoints The Bank of New York Mellon as calculation agent for the Bonds, and the Calculation Agent accepts such appointment, acknowledging the duties, obligations and responsibilities of the Calculation Agent as set forth herein.

Section 2. Documents to be Filed with the Calculation Agent. The Issuer shall provide to the Calculation Agent in connection with its appointment hereunder (i) a copy of the executed Form 8038-B filed in connection with the issuance of the Bonds, (ii) an incumbency certificate listing the officers of the Issuer authorized to act on behalf of the Issuer under this Agreement (each, an "Authorized Officer") and (iii) such other instruments, opinions and certificates as the Calculation Agent may reasonably request. The Issuer shall also, at the request of the Calculation Agent, periodically provide for an Authorized Officer to sign forms prepared by the Calculation Agent (including Forms 8038-CP) for filing by the Calculation Agent with the Department of the Treasury.

Section 3. Duties of the Calculation Agent. The Calculation Agent shall act as calculation agent for the Bonds and in such capacity it shall:

- (i) as soon as practicable on or after the day that is 90 days prior to each interest payment date for the Bonds, beginning with the February 1, 2011 interest payment date, perform the calculations necessary to complete each Form 8038-CP requesting payment of a credit equal to 35% of the interest payable on the Bonds for the period ending on each such interest payment date, prepare each such Form 8038-CP and provide a copy of each such Form 8038-CP to the Issuer;
- (ii) secure the signature of an Authorized Officer on each such Form 8038-CP;

- 1 (iii) file each such Form 8038-CP with the Department of the Treasury at the Internal
2 Revenue Service Center, Ogden, Utah 84201-0020 (unless notified by the Issuer or the
3 Internal Revenue Service in writing of a change of address therefor) as soon as
4 practicable on or after the day that is 90 days prior, and in no event later than the day that
5 is 45 days prior, to each interest payment date for the Bonds; and
- 6 (iv) direct that payment of the amounts due from the Department of the Treasury be remitted
7 as instructed by the City's Director of Finance, or as otherwise directed by the Issuer
8 pursuant to written payment instructions filed by the Issuer with the Calculation Agent.

9 **Section 4. Compensation.** The Issuer agrees to pay the Calculation Agent fees as set forth
10 in **Exhibit B** attached hereto and made a part hereof, and, if applicable, to reimburse the Calculation
11 Agent for its out-of-pocket expenses (including, without limitation, legal and accounting fees and
12 expenses). Such fees and expenses will be invoiced to the Issuer, and shall not be payable from amounts
13 due from the Department of the Treasury. To the extent permitted by law, the Issuer shall save the
14 Calculation Agent, its officers, employees, directors and agents (each, a "Protected Person") harmless and
15 indemnify from and against all claims, losses, costs, expenses, liabilities and damages, including legal
16 fees and expenses, (i) arising out of or based upon the offering, issuance and sale of the Bonds and the use
17 and application of the proceeds of the Bonds, (ii) arising as a result of the Issuer's failure to pay debt
18 service on the Bonds or (iii) arising out of the exercise and performance by the Calculation Agent of its
19 powers and duties hereunder; provided, that no indemnification made under this Section 4 will extend to
20 any claims arising out of misconduct or negligence by the Calculation Agent or another Protected Person
21 or failure of the Calculation Agent to perform its duties and obligations as set forth in this Agreement. If
22 the Calculation Agent renders any service hereunder not provided for in this Agreement, or the
23 Calculation Agent is made a party to or intervenes in any action, any governmental agency, administrative
24 or regulatory proceeding or any litigation pertaining to this Agreement or institutes interpleader
25 proceedings relative hereto, the Calculation Agent shall be compensated reasonably by the Issuer for such
26 extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties
27 and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned
28 thereby. This Section 4 shall survive the termination of this Agreement and the earlier removal or
resignation of the Calculation Agent with respect to matters arising prior to termination (that are the
subject of claims which are brought before or after termination).

19 **Section 5. Instructions From the Issuer; Advice of Counsel.** At any time the Calculation
20 Agent may apply to any Authorized Officer for instructions, and shall have the right, but not the
21 obligation, to consult with counsel of its choice at the reasonable expense of the Issuer and shall not be
22 liable for action taken or omitted to be taken either in accordance with such instruction or such advice of
23 counsel, or in accordance with any opinion of counsel to the Issuer addressed to the Calculation Agent.

22 **Section 6. Concerning the Calculation Agent.** The Calculation Agent shall have only
23 those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and
24 shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or
25 nominees. The Calculation Agent shall neither be responsible for, nor chargeable with, knowledge of the
26 terms and conditions of any other agreement, instrument or document in connection herewith, including
27 without limitation the Bond Legislation. The Calculation Agent shall not be answerable for other than its
28 negligence or willful misconduct. The Calculation Agent shall have no responsibility for the payment of
debt service with respect to the Bonds. The Calculation Agent shall be protected in acting upon any paper
or document believed by it to be genuine and to have been signed by the proper person or persons and
shall not be held to have notice of any change of authority of any person, until receipt of written notice
thereof from the Issuer. The Calculation Agent shall not be under any obligation to prosecute any action

1 or suit in respect of the agency relationship which, in its sole judgment, may involve it in expense or
2 liability. In any action or suit the Issuer shall, as often as requested, reimburse the Calculation Agent for
3 any expense or liability growing out of such action or suit by or against the Calculation Agent in its
4 agency capacity; provided, however, that no such reimbursement shall be made for any expense or
5 liability arising as a result of Calculation Agent's negligence or willful misconduct. For purposes of this
6 Agreement, the Calculation Agent's failure to timely file a Form 8038-CP with the Department of the
7 Treasury as described in Section 3 shall be deemed "gross negligence" unless such failure to file is due to
8 an act or omission of the Issuer or is due to an event described in the following paragraph.

6 The Calculation Agent shall not be responsible or liable for any failure or delay in the
7 performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by
8 circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire;
9 flood; wars; terrorism; military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions
10 of utilities, third-party vendor computer (hardware or software) or communications services; accidents;
11 labor disputes; acts of civil or military authority; or governmental action; it being understood that
12 Calculation Agent shall use commercially reasonable efforts which are consistent with accepted practices
13 in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

11 Anything in this Agreement to the contrary notwithstanding, in no event shall the Calculation
12 Agent be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever
13 (including but not limited to lost profits), even if the Calculation Agent has been advised of the likelihood
14 of such loss or damage and regardless of the form of action.

14 The Calculation Agent agrees to accept and act upon instructions or directions pursuant to this
15 Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic
16 methods, provided, however, that the Issuer shall provide to the Calculation Agent an incumbency
17 certificate listing each Authorized Officer, which incumbency certificate shall be amended whenever an
18 Authorized Officer is to be added or deleted. If the Issuer elects to give the Calculation Agent e-mail or
19 facsimile instructions (or instructions by a similar electronic method) and the Calculation Agent in its
20 discretion elects to act upon such instructions, the Calculation Agent's understanding of such instructions
21 shall be deemed controlling. The Calculation Agent shall not be liable for any losses, costs or expenses
22 arising directly or indirectly from the Calculation Agent's reliance upon and compliance with such
23 instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written
24 instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to
25 submit instructions and directions to the Calculation Agent, including without limitation the risk of the
26 Calculation Agent acting on unauthorized instructions, and the risk of interception and misuse by third
27 parties.

22 Any banking association or corporation into which the Calculation Agent may be merged,
23 converted or with which the Calculation Agent may be consolidated, or any banking association or
24 corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall
25 be a party, or any banking association or corporation to which all or substantially all of the corporate trust
26 business of the Calculation Agent shall be transferred, shall succeed to all the Calculation Agent's rights,
27 obligations and immunities hereunder without the execution or filing of any paper or any further act on
28 the part of the parties hereto, anything herein to the contrary notwithstanding.

26 **Section 7. Notices.** Until changed by notice in writing, communications between the parties
27 shall be delivered to:

1 If to the Issuer: The City of Seattle, Washington
2 600 Fourth Avenue, 6th Floor
3 Post Office Box 94747
4 Seattle, Washington 98124
 Attn: Debt Manager
 Fax: (206) 684-8534

5 If to the Calculation Agent: The Bank of New York Mellon
6 Global Corporate Trust – Municipal Finance
7 101 Barclay Street – 7 West
8 New York, New York 10286
 Attn: Fiscal Agency Unit
 Fax: (212) 815-3455

9 **Section 8. Destruction of Records, Instruments and Papers.** The Calculation Agent shall
10 retain in its files records, instruments and papers maintained by it in relation to its agency consistent with
11 the requirements for the fiscal agent to retain records under the fiscal agency contract between the State of
12 Washington and its fiscal agent.

13 **Section 9. Resignation or Removal of Calculation Agent.** Any time, other than on a day
14 during the 60 day period preceding any periodic payment date for the Bonds, the Calculation Agent may
15 resign by giving at least 45 days' prior written notice to the Issuer; and the Calculation Agent's agency
16 shall be terminated and its duties shall cease upon expiration of such 45 days or such lesser period of time
17 as shall be mutually agreeable to the Calculation Agent and the Issuer. At any time, following at least 60
18 days' prior written notice (or such lesser period of time as shall be mutually agreeable to the Calculation
19 Agent and the Issuer) the Calculation Agent may be removed from its agency by the Issuer. Such
20 removal shall become effective upon the expiration of the 60 day or agreed lesser time period, and upon
21 payment to the Calculation Agent of all amounts payable to it in connection with its agency. In such
22 event, the Calculation Agent shall deliver to the Issuer copies of pertinent records then in the Calculation
23 Agent's possession which are reasonably requested by the Issuer.

24 **Section 10. Effectiveness and Term.** This Agreement shall remain in effect and the agency
25 established by the Agreement shall continue until (i) terminated by mutual agreement of Issuer and
26 Calculation Agent, (ii) the resignation or removal of Calculation Agent pursuant to Section 9 or (iii) after
27 all Bonds have been retired or defeased.

28 **Section 11. Conflict with Bond Legislation.** In the event of a conflict between the
provisions of this Agreement and those of the Bond Legislation, the terms of the Bond Legislation shall
govern.

Section 12. Jury Trial Waiver. Each party hereto hereby agrees not to elect a trial by jury
of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that such right
shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action
arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by
each party, and is intended to encompass individually each instance and each issue as to which the right to
a trial by jury would otherwise accrue.

Section 13. Governing Law. This Agreement shall be governed by and construed in
accordance with the laws of the State of Washington. Venue for any dispute arising under this Agreement
shall be in the Superior Court of the State of Washington in the county in which the Issuer is located.

EXHIBIT A

DESCRIPTION OF BONDS

\$181,625,000

The City of Seattle, Washington
 Municipal Light and Power Revenue Bonds, 2010A
 (Taxable Build America Bonds – Direct Payment)

Fixed Rate Bond - Debt Service Schedule

Payment Date	Principal Payable	CUSIP No. ()	Interest Payable	Principal Amount Expected to Be Outstanding	Credit Payment Expected to Be Requested
02/01/2011					
08/01/2011					
02/01/2012					
08/01/2012					
02/01/2013					
08/01/2013					
02/01/2014					
08/01/2014					
02/01/2015					
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08/01/2029					
02/01/2030					
08/01/2030					

H. Spitzer/N. Neraas
 City Light Bond Resolution
 May 13, 2010
 Version 1

	Payment Date	Principal Payable	CUSIP No. ()	Interest Payable	Principal Amount Expected to Be Outstanding	Credit Payment Expected to Be Requested
1						
2						
3	02/01/2031					
	08/01/2031					
4	02/01/2032					
	08/01/2032					
5	02/01/2033					
	08/01/2033					
6	02/01/2034					
	08/01/2034					
7	02/01/2035					
	08/01/2035					
8	02/01/2036					
	08/01/2036					
9	02/01/2037					
	08/01/2037					
10	02/01/2038					
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EXHIBIT B
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1 (iii) file each such Form 8038-CP with the Department of the Treasury at the Internal
2 Revenue Service Center, Ogden, Utah 84201-0020 (unless notified by the Issuer or the
3 Internal Revenue Service in writing of a change of address therefor) as soon as
practicable on or after the day that is 90 days prior, and in no event later than the day that
is 45 days prior, to each interest payment date for the Bonds; and

4 (iv) direct that payment of the amounts due from the Department of the Treasury be remitted
5 as instructed by the City's Director of Finance, or as otherwise directed by the Issuer
pursuant to written payment instructions filed by the Issuer with the Calculation Agent.

6 **Section 4. Compensation.** The Issuer agrees to pay the Calculation Agent fees as set forth
7 in **Exhibit B** attached hereto and made a part hereof, and, if applicable, to reimburse the Calculation
8 Agent for its out-of-pocket expenses (including, without limitation, legal and accounting fees and
9 expenses). Such fees and expenses will be invoiced to the Issuer, and shall not be payable from amounts
10 due from the Department of the Treasury. To the extent permitted by law, the Issuer shall save the
11 Calculation Agent, its officers, employees, directors and agents (each, a "Protected Person") harmless and
12 indemnify from and against all claims, losses, costs, expenses, liabilities and damages, including legal
13 fees and expenses, (i) arising out of or based upon the offering, issuance and sale of the Bonds and the use
14 and application of the proceeds of the Bonds, (ii) arising as a result of the Issuer's failure to pay debt
15 service on the Bonds or (iii) arising out of the exercise and performance by the Calculation Agent of its
16 powers and duties hereunder; provided, that no indemnification made under this Section 4 will extend to
17 any claims arising out of misconduct or negligence by the Calculation Agent or another Protected Person
18 or failure of the Calculation Agent to perform its duties and obligations as set forth in this Agreement. If
the Calculation Agent renders any service hereunder not provided for in this Agreement, or the
Calculation Agent is made a party to or intervenes in any action, any governmental agency, administrative
or regulatory proceeding or any litigation pertaining to this Agreement or institutes interpleader
proceedings relative hereto, the Calculation Agent shall be compensated reasonably by the Issuer for such
extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties
and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned
thereby. This Section 4 shall survive the termination of this Agreement and the earlier removal or
resignation of the Calculation Agent with respect to matters arising prior to termination (that are the
subject of claims which are brought before or after termination).

19 **Section 5. Instructions From the Issuer; Advice of Counsel.** At any time the Calculation
20 Agent may apply to any Authorized Officer for instructions, and shall have the right, but not the
21 obligation, to consult with counsel of its choice at the reasonable expense of the Issuer and shall not be
liable for action taken or omitted to be taken either in accordance with such instruction or such advice of
counsel, or in accordance with any opinion of counsel to the Issuer addressed to the Calculation Agent.

22 **Section 6. Concerning the Calculation Agent.** The Calculation Agent shall have only
23 those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and
24 shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or
25 nominees. The Calculation Agent shall neither be responsible for, nor chargeable with, knowledge of the
26 terms and conditions of any other agreement, instrument or document in connection herewith, including
27 without limitation the Bond Legislation. The Calculation Agent shall not be answerable for other than its
28 negligence or willful misconduct. The Calculation Agent shall have no responsibility for the payment of
debt service with respect to the Bonds. The Calculation Agent shall be protected in acting upon any paper
or document believed by it to be genuine and to have been signed by the proper person or persons and
shall not be held to have notice of any change of authority of any person, until receipt of written notice
thereof from the Issuer. The Calculation Agent shall not be under any obligation to prosecute any action

1 or suit in respect of the agency relationship which, in its sole judgment, may involve it in expense or
2 liability. In any action or suit the Issuer shall, as often as requested, reimburse the Calculation Agent for
3 any expense or liability growing out of such action or suit by or against the Calculation Agent in its
4 agency capacity; provided, however, that no such reimbursement shall be made for any expense or
5 liability arising as a result of Calculation Agent's gross negligence or willful misconduct. For purposes of
6 this Agreement, the Calculation Agent's failure to timely file a Form 8038-CP with the Department of the
7 Treasury as described in Section 3 shall be deemed "gross negligence" unless such failure to file is due to
8 an act or omission of the Issuer or is due to an event described in the following paragraph.

9 The Calculation Agent shall not be responsible or liable for any failure or delay in the
10 performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by
11 circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire;
12 flood; wars; terrorism; military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions
13 of utilities, third-party vendor computer (hardware or software) or communications services; accidents;
14 labor disputes; acts of civil or military authority; or governmental action; it being understood that
15 Calculation Agent shall use commercially reasonable efforts which are consistent with accepted practices
16 in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

17 Anything in this Agreement to the contrary notwithstanding, in no event shall the Calculation
18 Agent be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever
19 (including but not limited to lost profits), even if the Calculation Agent has been advised of the likelihood
20 of such loss or damage and regardless of the form of action.

21 The Calculation Agent agrees to accept and act upon instructions or directions pursuant to this
22 Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic
23 methods, provided, however, that the Issuer shall provide to the Calculation Agent an incumbency
24 certificate listing each Authorized Officer, which incumbency certificate shall be amended whenever an
25 Authorized Officer is to be added or deleted. If the Issuer elects to give the Calculation Agent e-mail or
26 facsimile instructions (or instructions by a similar electronic method) and the Calculation Agent in its
27 discretion elects to act upon such instructions, the Calculation Agent's understanding of such instructions
28 shall be deemed controlling. The Calculation Agent shall not be liable for any losses, costs or expenses
arising directly or indirectly from the Calculation Agent's reliance upon and compliance with such
instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written
instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to
submit instructions and directions to the Calculation Agent, including without limitation the risk of the
Calculation Agent acting on unauthorized instructions, and the risk of interception and misuse by third
parties.

Any banking association or corporation into which the Calculation Agent may be merged,
converted or with which the Calculation Agent may be consolidated, or any banking association or
corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall
be a party, or any banking association or corporation to which all or substantially all of the corporate trust
business of the Calculation Agent shall be transferred, shall succeed to all the Calculation Agent's rights,
obligations and immunities hereunder without the execution or filing of any paper or any further act on
the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 7. Notices. Until changed by notice in writing, communications between the parties
shall be delivered to:

1 If to the Issuer: The City of Seattle, Washington
2 600 Fourth Avenue, 6th Floor
3 Post Office Box 94747
4 Seattle, Washington 98124
5 Attn: Debt Manager
6 Fax: (206) 684-8534

7 If to the Calculation Agent: The Bank of New York Mellon
8 Global Corporate Trust – Municipal Finance
9 101 Barclay Street – 7 West
10 New York, New York 10286
11 Attn: Fiscal Agency Unit
12 Fax: (212) 815-3455

13 **Section 8. Destruction of Records, Instruments and Papers.** The Calculation Agent shall
14 retain in its files records, instruments and papers maintained by it in relation to its agency consistent with
15 the requirements for the fiscal agent to retain records under the fiscal agency contract between the State of
16 Washington and its fiscal agent.

17 **Section 9. Resignation or Removal of Calculation Agent.** Any time, other than on a day
18 during the 60 day period preceding any periodic payment date for the Bonds, the Calculation Agent may
19 resign by giving at least 45 days' prior written notice to the Issuer; and the Calculation Agent's agency
20 shall be terminated and its duties shall cease upon expiration of such 45 days or such lesser period of time
21 as shall be mutually agreeable to the Calculation Agent and the Issuer. At any time, following at least 60
22 days' prior written notice (or such lesser period of time as shall be mutually agreeable to the Calculation
23 Agent and the Issuer) the Calculation Agent may be removed from its agency by the Issuer. Such
24 removal shall become effective upon the expiration of the 60 day or agreed lesser time period, and upon
25 payment to the Calculation Agent of all amounts payable to it in connection with its agency. In such
26 event, the Calculation Agent shall deliver to the Issuer copies of pertinent records then in the Calculation
27 Agent's possession which are reasonably requested by the Issuer.

28 **Section 10. Effectiveness and Term.** This Agreement shall remain in effect and the agency
established by the Agreement shall continue until (i) terminated by mutual agreement of Issuer and
Calculation Agent, (ii) the resignation or removal of Calculation Agent pursuant to Section 9 or (iii) after
all Bonds have been retired or defeased.

Section 11. Conflict with Bond Legislation. In the event of a conflict between the
provisions of this Agreement and those of the Bond Legislation, the terms of the Bond Legislation shall
govern.

Section 12. Jury Trial Waiver. Each party hereto hereby agrees not to elect a trial by jury
of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that such right
shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action
arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by
each party, and is intended to encompass individually each instance and each issue as to which the right to
a trial by jury would otherwise accrue.

Section 13. Governing Law. This Agreement shall be governed by and construed in
accordance with the laws of the State of Washington. Venue for any dispute arising under this Agreement
shall be in the Superior Court of the State of Washington in the county in which the Issuer is located.

EXHIBIT A

DESCRIPTION OF BONDS

\$13,275,000
 The City of Seattle, Washington
 Municipal Light and Power Revenue Bonds, 2010C
 (Taxable Recovery Zone Economic Development Bonds – Direct Payment)

Fixed Rate Bond - Debt Service Schedule

Payment Date	Principal Payable	CUSIP No. ()	Interest Payable	Principal Amount Expected to Be Outstanding	Credit Payment Expected to Be Requested
02/01/2011					
08/01/2011					
02/01/2012					
08/01/2012					
02/01/2013					
08/01/2013					
02/01/2014					
08/01/2014					
02/01/2015					
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02/01/2030					
08/01/2030					

H. Spitzer/N. Neraas
 City Light Bond Resolution
 May 13, 2010
 Version 1

	Payment Date	Principal Payable	CUSIP No. ()	Interest Payable	Principal Amount Expected to Be Outstanding	Credit Payment Expected to Be Requested
1						
2	02/01/2031					
3	08/01/2031					
4	02/01/2032					
5	08/01/2032					
6	02/01/2033					
7	08/01/2033					
8	02/01/2034					
9	08/01/2034					
10	02/01/2035					
11	08/01/2035					
12	02/01/2036					
13	08/01/2036					
14	02/01/2037					
15	08/01/2037					
16	02/01/2038					
17	08/01/2038					
18	02/01/2039					
19	08/01/2039					
20	02/01/2040					
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EXHIBIT B
FEE SCHEDULE

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1 delivered to the original purchaser thereof and the City receives full payment therefor
2 (the "Date of Closing"), which Acquired Obligations satisfy the requirements of the
3 Verification described in paragraph (c);

4 (c) The delivery to the City and the Refunding Trustee of a verification (the
5 "Verification") by a nationally recognized independent certified public accounting firm
6 verifying the mathematical accuracy of the computations (which computations shall be
7 attached to that report) showing that the Acquired Obligations to be purchased by the
8 Refunding Trustee pursuant to the Bond Legislation and this Refunding Trust Agreement,
9 together with the specified beginning cash balance, if any, and the maturing principal of
10 and interest on such Acquired Obligations, will provide sufficient money (assuming that
11 all principal of and interest on the Acquired Obligations are paid on the due dates thereof
12 and assuming no reinvestment of such maturing principal and interest) to pay interest on
13 the 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B Refunded Bonds
14 when due up to and including June 25, 2010, and on June 25, 2010, call, pay, and redeem
15 all of the outstanding 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B
16 Refunded Bonds at a price of par; to pay interest on the 2000 Refunded Bonds when due
17 up to and including December 1, 2010 and on December 1, 2010, call, pay, and redeem
18 all of the outstanding 2000 Refunded Bonds at a price of par; and to pay interest on the
19 2001 Refunded Bonds when due up to and including March 1, 2011 and on March 1,
20 2011, call, pay, and redeem all of the outstanding 2001 Refunded Bonds at a price of par;
21 and

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

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

27 and

28 WHEREAS, upon the issuance of the Bonds to carry out the Refunding Plan under the authority
of chapter 39.53 RCW and other laws of the State of Washington (collectively, the "Refunding Bond
Act"), the principal amount of the Refunded Bonds no longer shall be considered outstanding pursuant to
the defeasance provisions of Ordinance 118745 that authorized the issuance of the 1997 Refunded Bonds,
Ordinance 118744 that authorized the issuance of the 1998A Refunded Bonds, Ordinance 119141 that
authorized the issuance of the 1998B Refunded Bonds and Ordinance 120131 that authorized the issuance
of the 2000 Refunded Bonds (collectively, the "Refunded Bond Ordinances"); and

WHEREAS, the City Council of the City has found that the refunding of the Refunded Bonds,
through the issuance of the Bonds, is beneficial and will realize a debt service savings to the City and its
taxpayers; and

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

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

1 Section 1. Delivery of Money to Refunding Trustee. On the Date of Closing, the City shall
2 cause to be delivered to the Refunding Trustee all of the proceeds of the refunding portion of the Bonds.

3 Section 2. Investment and Expenditure of Money. On the Date of Closing, the Refunding
4 Trustee shall apply \$588,073,699 to pay on behalf of the City the purchase and/or subscription prices of
5 the Acquired Obligations, from the sources, in the principal amounts, with the dates of maturity and
6 bearing the interest rates or yields set forth in Exhibit A, and \$7,482,802.15 to establish a beginning cash
balance. Upon receipt thereof, the Refunding Trustee shall deliver to the City copies of the documents
evidencing the purchase of and payment for the Acquired Obligations. Investments in mutual funds and
unit investment trusts are prohibited.

7 Section 3. Sufficiency of Acquired Obligations. Based upon the Verification, the City represents
8 that the Acquired Obligations and the maturing principal thereof and the interest thereon, if paid when
9 due, together with the beginning cash balance, shall be sufficient to make when due the payments
10 required by the Refunding Plan. Such amounts coming due are sometimes referred to hereinafter as the
"payments 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.

11 Section 4. Collection of Proceeds of Acquired Obligations and Application of Such Proceeds and
12 Money. The Refunding Trustee shall present for payment and shall collect and receive on the due dates
13 thereof the maturing installments of the principal of and the interest on the Acquired Obligations and any
14 Substitute Obligations (defined hereinafter). The Refunding Trustee shall make payments, but only in the
15 amounts received pursuant to this section, in a timely manner to the Fiscal Agent of the State of
Washington (the "Fiscal Agent") of the amounts to be paid on the Refunded Bonds as shown in the
Verification. Those payments 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.

16 Section 5. Notice of Defeasance/Notice of Redemption. The Refunding Trustee agrees to give a
17 notice of defeasance and a notice of redemption of the Refunded Bonds pursuant to the terms of the
18 Refunded Bonds, and in substantially the forms attached hereto as and as described in Exhibits B, C, D,
19 E, F, G and H to the Fiscal Agent for distribution as described therein. A Notice of Defeasance and
20 Redemption for the 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B Refunded Bonds
21 shall be given immediately following the execution of this Refunding Trust Agreement. The notice of
22 defeasance for the 2000 Refunded Bonds and the 2001 Refunded Bonds shall be given immediately
23 following the execution of this Refunding Trust Agreement. The notice of redemption for the 2000
24 Refunded Bonds shall be given in accordance with Ordinance 120131 that authorized the issuance of the
25 2000 Refunded Bonds. The notice of redemption for the 2001 Refunded Bonds shall be given in
26 accordance with Ordinance 120274 that authorized the issuance of the 2001 Refunded Bonds. The cost of
27 giving the notices shall be paid by the City.
28

Section 6. All Obligations and Money and Proceeds Thereof Held in Trust. The Refunding
Trustee irrevocably agrees to hold the Acquired Obligations, the Substitute Obligations, if any, the
principal thereof and interest thereon, and any other money it may receive pursuant to this Refunding
Trust Agreement and any reinvestments thereof made pursuant to Sections 8 and 9 hereof, in trust and
separate at all times from all other funds and investments held by the Refunding Trustee, solely for the
purpose of making the payments described in Section 3. The City irrevocably conveys, transfers, and
assigns to the Refunding Trustee the Acquired Obligations, any Substitute Obligations, the principal
thereof and the interest thereon, and any other money and investments deposited with the Refunding
Trustee pursuant to this Refunding Trust Agreement, for the purpose of making such payments. The

1 Refunding Trustee shall not sell, transfer, assign, or hypothecate any Acquired Obligations,
2 reinvestments, or Substitute Obligations except pursuant to Sections 8, 9, 13 and 14 hereof.

3 Section 7. Reports. The Refunding Trustee shall submit a report to the City, at least
4 semiannually, which report shall set forth the cash, Acquired Obligations, and any Substitute Obligations
5 held hereunder by the Refunding Trustee, the obligations which have matured and amounts received by
6 the Refunding Trustee by reason of such maturity, the interest earned on such obligations, a list of any
investments or reinvestments made by the Refunding Trustee in other obligations and the interest and/or
principal derived therefrom, the amounts paid to the Fiscal Agent, and any other transaction of the
Refunding Trustee pertaining to its duties and obligations as set forth herein.

7 Section 8. Substitution of Different Obligations or Other Investments. The City reserves the
8 right to substitute from time to time for Acquired Obligations initially purchased in accordance with
9 Section 2 hereof, or for obligations purchased under this section, other noncallable, nonprepayable direct
10 obligations of the United States of America and/or obligations unconditionally guaranteed by the United
11 States of America as to full and timely payment of principal and interest authorized to be acquired with
the proceeds of Bonds under the Refunding Bond Act (the "Substitute Obligations"). Prior to effecting
any such substitution, the City shall have obtained at its expense and delivered to the Refunding Trustee:

12 (a) A verification by a nationally recognized independent certified public
13 accounting firm acceptable to the Refunding Trustee confirming that the maturing
14 principal of and interest on the Substitute Obligations and any remaining Acquired
15 Obligations to be held by the Refunding Trustee in the refunding escrow, if paid when
due and assuming no reinvestment thereof, together with any other cash then held by the
Refunding Trustee, will be sufficient to carry out the Refunding Plan and make all
remaining payments described in Section 3; and

16 (b) An opinion from Foster Pepper PLLC, bond counsel to the City, its
17 successor or other nationally recognized bond counsel to the City, that the disposition and
18 substitution or purchase of such securities, under the statutes, rules, and regulations then
19 in force and applicable to the Bonds, will not cause the interest on the Bonds or the
Refunded Bonds to be included in gross income for federal income tax purposes and that
such disposition and substitution or purchase is in compliance with the statutes and
regulations applicable to the Bonds.

20 If the verification delivered to the Refunding Trustee pursuant to Section 8(a) shows that surplus money
21 not needed to make the payments described in Section 3 will result from the sale, transfer, or other
22 disposition of Acquired Obligations and the substitution of Substitute Obligations therefor, that surplus
23 money at the written request of the City shall be released from the trust estate and shall be transferred to
the City to be used for any lawful City purpose, subject to any restrictions stated in the opinion of bond
counsel required by Section 8(b).

24 Section 9. Reinvestment of Proceeds of Acquired and/or Substitute Obligations. The proceeds
25 (principal and interest) and reinvestment proceeds of any Acquired Obligations and/or Substitute
26 Obligations held by the Refunding Trustee in accordance with this Refunding Trust Agreement, which are
27 not needed within five business days of the receipt thereof to make the payments described in Section 3,
28 shall be reinvested by the Refunding Trustee, but only upon receipt of written request of the City, on such
date of receipt or the next business day. The City shall direct such reinvestment subject to the following
conditions:

1 (a) Except as provided in subsection (c) below, the proceeds of such
2 Acquired Obligations and/or Substitute Obligations shall be reinvested in Substitute
3 Obligations at a yield that will not cause the composite yield on the refunding escrow to
4 exceed 3.1829% during its term or such higher yield as may be directed by letter of
5 instructions from the City to the Refunding Trustee, but if the composite yield on the
6 directed investments made pursuant to this Refunding Trust Agreement would exceed
7 3.1829%, such letter of instructions shall contain a verification of such composite yield
8 and shall be based upon and accompanied by the opinion of Foster Pepper PLLC, bond
9 counsel to the City, its successor, or other nationally recognized bond counsel to the City,
10 approving reinvestment of such proceeds at such higher yield;

11 (b) The obligations in which such proceeds are reinvested shall mature in an
12 amount at least equal to their purchase price on the date or dates directed by the City, but
13 not later than the date (as shown by the then most recent certified public accountant
14 verification) the principal thereof is needed to make the payments described in Section 3;

15 (c) If such proceeds, together with other funds remaining in trust, are
16 insufficient to reinvest in the smallest denomination of such obligations or are required to
17 be used to make payments described in Section 3 sooner than the shortest maturity
18 available for such obligations, then those proceeds and funds either shall be converted to
19 United States currency and retained or shall remain uninvested in the refunding escrow
20 and carried on the books of the Refunding Trustee until required to make the payments
21 described in Section 3, or until sufficient money is accumulated to permit the investment
22 thereof; and

23 (d) "Yield," as used in paragraph (a) of this section with respect to the
24 Acquired Obligations and Substitute Obligations, means that yield computed in
25 accordance with and permitted by the Code applicable to the Bonds and the trust under
26 this Refunding Trust Agreement so as to preserve the exclusion from gross income for
27 federal income tax purposes of the interest on the Bonds.

28 The Refunding Trustee may make any and all investments permitted by the provisions of this Section
through its own investment department or the investment departments of any of its affiliates.

Section 10. Amendments to Refunding Trust Agreement. The Refunding Trustee and the City
recognize that the owners of the Refunded Bonds and the Bonds from time to time have a beneficial
interest in the Acquired Obligations, the Substitute Obligations, and money to be held by the Refunding
Trustee as herein provided. Therefore, this Refunding Trust Agreement is irrevocable and shall not be
subject to amendment except for the purpose of clarifying any ambiguity herein, increasing the protection
of the rights of the owners of the Refunded Bonds or the Bonds, or preserving the exclusion of the interest
on the Refunded Bonds and the Bonds from gross income for federal income tax purposes, and only if
such amendment is accompanied by an opinion addressed to the City and the Refunding Trustee from
Foster Pepper PLLC, its successor or other nationally recognized bond counsel to the City, to the effect
that such change is necessary for one of the above reasons and does not detrimentally affect the owners of
the outstanding Refunded Bonds and the Bonds or that it strengthens the protection of the owners of the
Refunded Bonds and the Bonds and does not detrimentally affect the owners of the Refunded Bonds and
the Bonds. If such amendment affects the amount of money and investments in the escrow account or the
application thereof, prior to the amendment's taking effect there also shall be a verification by a
nationally recognized independent certified public accounting firm satisfactory to the Refunding Trustee
to the effect that after such amendment the Acquired Obligations, Substitute Obligations, and other

1 money in the escrow account will be sufficient to make the payments described in Section 3. A copy of
2 such verification shall be delivered to the Refunding Trustee.

3 Section 11. Limitation of Liability of Refunding Trustee. None of the provisions contained in
4 this Refunding Trust Agreement shall require the Refunding Trustee to use or advance its own funds in
5 the performance of any of its duties or the exercise of any of its rights or powers hereunder. The
6 Refunding Trustee shall be under no liability for the payment of interest on any funds or other property
7 received by it hereunder except to the extent the Refunding Trustee is required by the express terms of
8 this Refunding Trust Agreement to invest such funds.

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

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

23 Section 12. Remittance of Funds When Refunded Bonds Paid in Full. At such time as the
24 Refunding Trustee has received the representation of the City that all of the payments described in
25 Section 3 have been made and the confirmation of such representation by the Fiscal Agent, together with
26 such other evidence of such payments as shall be satisfactory to the City and the Refunding Trustee, the
27 Refunding Trustee shall deliver forthwith or remit to the City any remaining Acquired Obligations,
28 Substitute Obligations, and money held pursuant to this Refunding Trust Agreement.

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

Section 14. Successor Refunding Trustee. The obligations assumed by the Refunding Trustee
pursuant to this Refunding Trust Agreement may be transferred by the Refunding Trustee to a successor if

1 (a) the Refunding Trustee has presented evidence satisfactory to the City and to Foster Pepper PLLC, its
2 successor or other nationally recognized bond counsel to the City that the successor trustee meets the
3 requirements of RCW 39.53.070, as now in effect or hereafter amended; (b) the City approves the
4 appointment of the successor trustee; (c) the successor trustee has assumed all of the obligations of the
5 Refunding Trustee under this Refunding Trust Agreement and has been compensated; and (d) all of the
6 Acquired Obligations, reinvestments, Substitute Obligations, and money then held by the Refunding
7 Trustee pursuant to this Refunding Trust Agreement have been duly transferred to such successor trustee.

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

14 Section 15. Miscellaneous. This Refunding Trust Agreement is governed by Washington law
15 without regard to the conflict of laws provisions thereof and may not be modified except by a writing
16 signed by the parties and subject to the limitations of Section 10. If any one or more of the provisions
17 contained in this Refunding Trust Agreement shall for any reason be held to be invalid, illegal, or
18 unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other
19 provisions of this Refunding Trust Agreement, but this Refunding Trust Agreement shall be construed as
20 if such invalid, illegal, or unenforceable provision had never been contained herein.

21 Section 16. Notice to Rating Agencies. The Refunding Trustee shall notify all national rating
22 agencies maintaining (at the request of the City) a rating on the Refunded Bonds or the Bonds, in writing
23 upon timely receipt of notice or evidence of either of the following circumstances:

24 (a) Prior to their taking effect, any amendments to this Refunding Trust
25 Agreement under Section 10, enclosing the proposed amendatory documents; and

26 (b) The holding (referred to in Section 15) that one or more provisions of
27 this Refunding Trust Agreement are invalid, illegal, or unenforceable in any respect,
28 enclosing a copy of that holding.

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

29 Section 17. Counterparts. This Agreement may be executed in counterparts.

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

32 THE CITY OF SEATTLE, WASHINGTON

U.S. BANK NATIONAL ASSOCIATION, as
Refunding Trustee

33 By _____

By _____

Title: _____

EXHIBIT A

THE CITY OF SEATTLE, WASHINGTON
MUNICIPAL LIGHT AND POWER IMPROVEMENT AND REFUNDING
REVENUE BONDS, 2010B

ACQUIRED OBLIGATIONS

<u>TYPE*</u>	<u>MATURITY DATE</u>	<u>PAR AMOUNT</u>	<u>INTEREST RATE</u>
CERT	06/25/2010	\$171,737,776	0.14%
CERT	09/01/2010	8,284,579	0.15
CERT	12/01/2010	88,741,247	0.21
CERT	03/01/2011	319,310,097	0.29

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

EXHIBIT B
Notice of Redemption/Defeasance*
The City of Seattle, Washington
Municipal Light and Power Revenue Bonds, 1997

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City"), has called for redemption on June 25, 2010, all of its then-outstanding Municipal Light and Power Revenue Bonds, 1997 (the "Refunded Bonds").

The Refunded Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to June 25, 2010. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

[By Mail or in Person]

-or-

[In Person Only]

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Any branch of Wells Fargo Bank,
National Association in the State of
Washington

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 25, 2010.

The following Bonds are being redeemed:

Maturity Date (July 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
2010	\$1,265,000	5.00%	06/25/2010	812642K96
2011	1,330,000	5.00	06/25/2010	812642L20
2012	1,395,000	5.00	06/25/2010	812642L38
2013	1,465,000	5.00	06/25/2010	812642L46
2014	1,540,000	5.00	06/25/2010	812642L53
2015	1,620,000	5.00	06/25/2010	812642L61
2016	1,700,000	5.00	06/25/2010	812642L79
***	***	***	***	***
2018	3,675,000	5.00	06/25/2010	812642L95
***	***	***	***	***
2022	8,575,000	5.00	06/25/2010	812642M52

NOTICE IS FURTHER GIVEN to the owners of the Refunded Bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of May 26, 2010, by and between the City and U.S. Bank National Association (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 to the redemption date the principal of and interest on the Refunded Bonds. Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 17 of Ordinance 118745 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such escrow account.

By Order of The City of Seattle, Washington
The Bank of New York Mellon, as Paying Agent
Dated: _____

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

* This notice shall be given immediately by first class mail to each registered owner of the Refunded Bonds and to the Municipal Securities Rulemaking Board.

EXHIBIT C

Notice of Redemption/Defeasance*
The City of Seattle, Washington

Municipal Light and Power Refunding Revenue Bonds, 1998, Series A

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City"), has called for redemption on June 25, 2010, all of its then-outstanding Municipal Light and Power Refunding Revenue Bonds, 1998, Series A (the "Refunded Bonds").

The Refunded Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to June 25, 2010. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

[By Mail or in Person]

-or-

[In Person Only]

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Any branch of Wells Fargo Bank,
National Association in the State of
Washington

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 25, 2010.

The following Bonds are being redeemed:

Maturity Date (July 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
2010	\$5,245,000	5.00%	06/25/2010	812642N77
2011	5,715,000	5.00	06/25/2010	812642N85
2012	6,015,000	5.00	06/25/2010	812642N93
2013	6,325,000	5.00	06/25/2010	812642P26
2014	6,645,000	5.00	06/25/2010	812642P34
2015	6,680,000	5.00	06/25/2010	812642P42
2016	7,335,000	5.00	06/25/2010	812642P59
2017	7,710,000	5.00	06/25/2010	812642P67
2018	8,120,000	5.00	06/25/2010	812642P75
2019	8,545,000	5.00	06/25/2010	812642P83
2022	8,990,000	5.00	06/25/2010	812642P91

NOTICE IS FURTHER GIVEN to the owners of the Refunded Bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of May 26, 2010, by and between the City and U.S. Bank National Association (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 to the redemption date the principal of and interest on the Refunded Bonds. Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 20 of Ordinance 118744 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such escrow account.

By Order of The City of Seattle, Washington
The Bank of New York Mellon, as Paying Agent
Dated: _____

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

* This notice shall be given immediately by first class mail to each registered owner of the Refunded Bonds and to the Municipal Securities Rulemaking Board.

EXHIBIT D

Notice of Redemption/Defeasance*
The City of Seattle, Washington
Municipal Light and Power Revenue Bonds, 1998, Series B

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City"), has called for redemption on June 25, 2010, all of its then-outstanding Municipal Light and Power Revenue Bonds, 1998, Series B (the "Refunded Bonds").

The Refunded Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to June 25, 2010. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

[By Mail or in Person]

-or-

[In Person Only]

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Any branch of Wells Fargo Bank,
National Association in the State of
Washington

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 25, 2010.

The following Bonds are being redeemed:

Maturity Date (June 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
2010	\$3,365,000	4.75%	06/25/2010	812642R73
2011	3,520,000	4.75	06/25/2010	812642R81
2012	3,690,000	4.75	06/25/2010	812642R99
2013	3,870,000	4.75	06/25/2010	812642S23
2014	4,060,000	4.75	06/25/2010	812642S31
2015	4,265,000	4.75	06/25/2010	812642S49
2016	4,485,000	4.75	06/25/2010	812642S56
2017	4,715,000	4.75	06/25/2010	812642S64
2018	4,955,000	4.75	06/25/2010	812642S72
2019	5,210,000	4.75	06/25/2010	812642S80
***	***	***	***	***
2021	11,250,000	4.875	06/25/2010	812642T22
***	***	***	***	***
2024	19,205,000	5.00	06/25/2010	812642T55

NOTICE IS FURTHER GIVEN to the owners of the Refunded Bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of May 26, 2010, by and between the City and U.S. Bank National Association (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 to the redemption date the principal of and interest on the Refunded Bonds. Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 17 of Ordinance 119141 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such escrow account.

By Order of The City of Seattle, Washington
The Bank of New York Mellon, as Paying Agent

Dated: _____

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

* This notice shall be given immediately by first class mail to each registered owner of the Refunded Bonds and to the Municipal Securities Rulemaking Board.

EXHIBIT E
Notice of Defeasance*
The City of Seattle, Washington
Municipal Light and Power Revenue Bonds, 2000

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 May 26, 2010, by and between The City of Seattle, Washington (the "City"), and U.S. Bank National Association (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 each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest on the Refunded Bonds. Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 17 of Ordinance 120131 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such escrow account.

The Refunded Bonds are described as follows:

The City of Seattle, Washington
 Municipal Light and Power Revenue Bonds, 2000
 (Dated December 1, 2000)

Maturity Date (Dec. 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
2011	\$3,690,000	5.50%	12/01/2010	812642Y26
2012	3,895,000	5.625	12/01/2010	812642Y34
2013	4,115,000	5.625	12/01/2010	812642Y42
2014	4,345,000	5.625	12/01/2010	812642Y59
2015	4,590,000	5.625	12/01/2010	812642Y67
2016	4,850,000	5.625	12/01/2010	812642Y75
2017	5,120,000	5.625	12/01/2010	812642Y83
2018	5,410,000	5.625	12/01/2010	812642Y91
2019	5,715,000	5.25	12/01/2010	812642Z25
2020	6,015,000	5.30	12/01/2010	812642Z41
2021	6,330,000	5.25	12/01/2010	812642Z58
***	***	***	***	***
2025	28,900,000	5.40	12/01/2010	812642Z33

U.S. BANK NATIONAL ASSOCIATION, as Refunding
Trustee

Dated: _____

* This notice shall be given immediately by first class mail to each registered owner of the Refunded Bonds and to the Municipal Securities Rulemaking Board.

EXHIBIT F
Notice of Redemption *

The City of Seattle, Washington
Municipal Light and Power Revenue Bonds, 2000

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City") has called for redemption on December 1, 2010, all of its then-outstanding Municipal Light and Power Revenue Bonds, 2000 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to December 1, 2010. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

[By Mail or in Person]

-or-

[In Person Only]

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Any branch of Wells Fargo Bank,
National Association in the State of
Washington

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 2010.

The following Bonds are being redeemed:

Maturity Date (Dec. 1)	Par Amount Defeased	Interest Rate	CUSIP Nos.
2010	\$3,500,000	5.50%	812642X92
2011	3,690,000	5.50	812642Y26
2012	3,895,000	5.625	812642Y34
2013	4,115,000	5.625	812642Y42
2014	4,345,000	5.625	812642Y59
2015	4,590,000	5.625	812642Y67
2016	4,850,000	5.625	812642Y75
2017	5,120,000	5.625	812642Y83
2018	5,410,000	5.625	812642Y91
2019	5,715,000	5.25	812642Z25
2020	6,015,000	5.30	812642Z41
2021	6,330,000	5.25	812642Z58
***	***	***	***
2025	28,900,000	5.40	812642Z33

By Order of The City of Seattle, Washington
The Bank of New York Mellon, as Paying Agent
Dated: _____

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

* This notice shall be given not less than 30 nor more than 60 days prior to December 1, 2010, by first class mail, postage prepaid, to each registered owner of the redeemed bonds. In addition, notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's at their offices in New York, New York; The Depository Trust Company of New York, New York, and the Municipal Securities Rulemaking Board.

EXHIBIT G

Notice of Defeasance *
The City of Seattle, Washington
Municipal Light and Power Revenue and Refunding Bonds, 2001

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 May 26, 2010, by and between The City of Seattle, Washington (the "City"), and U.S. Bank National Association (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 each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest on the Refunded Bonds. Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 20 of Ordinance 120274 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such escrow account.

The Refunded Bonds are described as follows:

The City of Seattle, Washington
Municipal Light and Power Revenue Bonds, 2001
(Dated March 15, 2001)

Maturity Date (March 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP Nos.
2011	\$16,085,000	5.50%	03/01/2011	8126422N5
2012	16,975,000	5.50	03/01/2011	8126422P0
2013	19,855,000	5.50	03/01/2011	8126422Q8
2014	20,975,000	5.50	03/01/2011	8126422R6
2015	21,755,000	5.50	03/01/2011	8126422S4
2016	23,415,000	5.50	03/01/2011	8126422T2
2017	24,740,000	5.50	03/01/2011	8126422U9
2018	16,660,000	5.50	03/01/2011	8126422V7
2019	15,685,000	5.50	03/01/2011	8126422W5
2020	16,530,000	5.00	03/01/2011	8126422X3
2021	17,390,000	5.125	03/01/2011	8126422Y1
2022	18,305,000	5.125	03/01/2011	8126422Z8
***	***	***	***	***
2026	83,360,000	5.125	03/01/2011	8126423A2

U.S. BANK NATIONAL ASSOCIATION, as Refunding
Trustee

Dated: _____

* This notice shall be given immediately by first class mail to each registered owner of the Refunded Bonds and to the Municipal Securities Rulemaking Board.

EXHIBIT H
Notice of Redemption *
The City of Seattle, Washington
Municipal Light and Power Revenue and Refunding Bonds, 2001

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City") has called for redemption on March 1, 2011, all of its then-outstanding Municipal Light and Power Revenue and Refunding Bonds, 2001 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to March 1, 2011. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

[By Mail or in Person]

-or-

[In Person Only]

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Any branch of Wells Fargo Bank,
National Association in the State of
Washington

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on March 1, 2011.

The following Bonds are being redeemed:

Maturity Date (March 1)	Par Amount Defeased	Interest Rate	CUSIP Nos.
2011	\$16,085,000	5.50%	8126422N5
2012	16,975,000	5.50	8126422P0
2013	19,855,000	5.50	8126422Q8
2014	20,975,000	5.50	8126422R6
2015	21,755,000	5.50	8126422S4
2016	23,415,000	5.50	8126422T2
2017	24,740,000	5.50	8126422U9
2018	16,660,000	5.50	8126422V7
2019	15,685,000	5.50	8126422W5
2020	16,530,000	5.00	8126422X3
2021	17,390,000	5.125	8126422Y1
2022	18,305,000	5.125	8126422Z8
***	***	***	***
2026	83,360,000	5.125	8126423A2

By Order of The City of Seattle, Washington
The Bank of New York Mellon, as Paying Agent
Dated: _____

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

* This notice shall be given not less than 30 nor more than 60 days prior to March 1, 2011, by first class mail, postage prepaid, to each registered owner of the redeemed bonds. In addition, notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's at their offices in New York, New York; The Depository Trust Company of New York, New York, and the Municipal Securities Rulemaking Board.

EXHIBIT I

U.S. BANK NATIONAL ASSOCIATION FEE SCHEDULE

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STATE OF WASHINGTON – KING COUNTY

--SS.

255008
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.

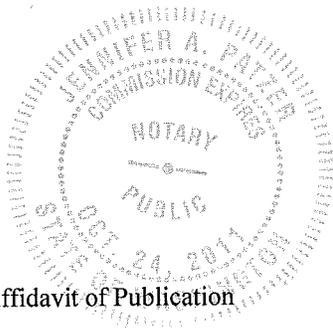
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31213 RESOLUTION

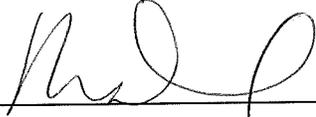
was published on

05/21/10

The amount of the fee charged for the foregoing publication is the sum of \$1,365.00, which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
05/21/10 

Notary public for the State of Washington,
residing in Seattle

City of Seattle

RESOLUTION 31213

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment), The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B, and The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment); specifying the amount, maturities, interest rates and other terms of the bonds; providing for the payment of part of the cost of certain capital improvements to and conservation programs for the Light System of the City, providing for the Reserve Fund Requirement, and providing for the refunding of certain of the City's outstanding municipal light and power bonds; approving the form and execution of certain agreements; and ratifying and confirming certain prior acts.

WHEREAS, pursuant to Ordinance 123169, as amended by Ordinance 123261 (the "Bond Ordinance"), The City of Seattle, Washington (the "City") authorized the issuance of its not to exceed \$260,000,000 municipal light and power revenue bonds, in one or more series, to (i) pay part of the cost of carrying out the Plan of Additions for the Light System of the City; (ii) provide for the Reserve Fund Requirement; and (iii) pay the costs of issuance of those bonds; and

WHEREAS, pursuant to Ordinance 118745 and Resolution 29686 (the "1997 Refunded Bond Legislation") the City issued its Municipal Light and Power Revenue Bonds, 1997 (the "1997 Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 118744 and Resolution 29687 (the "1998A Refunded Bond Legislation") the City issued its Municipal Light and Power Refunding Revenue Bonds, 1998, Series A (the "1998A Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 119141 and Resolution 29851 (the "1998B Refunded Bond Legislation") the City issued its Municipal Light and Power Refunding Revenue Bonds, 1998, Series B (the "1998B Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 120131 and Resolution 30274 (the "2000 Refunded Bond Legislation") the City issued its Municipal Light and Power Revenue Bonds, 2000 (the "2000 Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 120274 and Resolution 30298 (the "2001 Refunded Bond Legislation") the City issued its Municipal Light and Power Revenue Bonds, 2001 (the "2001 Refunded Bonds"); and

WHEREAS, by Ordinance 121941, as amended by Ordinance 122838 (the "Refunding Bond Ordinance"), the City authorized the issuance and sale of municipal light and power revenue bonds for the purpose, among other things, of paying all or part of the costs of refunding the City's outstanding municipal light and power revenue bonds; and

WHEREAS, the Bond Ordinance and the Refunding Bond Ordinance (collectively, the "Bond Ordinances"), authorized the Director of Finance to conduct a public or negotiated sale of the Bonds authorized thereby and to recommend to the City Council for its approval by resolution the interest rates and other terms and matters relating to the Bonds consistent with the Bond Ordinances; and

WHEREAS, the Director of Finance has recommended the issuance of \$181,625,000 of Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment) (the "2010A Bonds"), \$596,870,000 of Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B (the "2010B Bonds"), and \$13,275,000 of Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment) (the "2010C Bonds") and together with the 2010A Bonds and the 2010B Bonds, the "Bonds"), to carry out the purposes of the Bond Ordinance and, pursuant to the Refunding Bond Ordinance, to refund the 1997 Refunded Bonds, the 1998A Refunded Bonds, the 1998B Refunded Bonds, the 2000 Refunded Bonds and the 2001 Refunded

Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, to accomplish the refunding of the Refunded Bonds, it is necessary and advisable that certain Acquired Obligations (defined herein) bearing interest and maturing at such time or times as necessary to accomplish the Refunding Plan (defined herein) be purchased out of a portion of the proceeds of the Bonds, with other money of the City, if necessary, and provide for the call, payment (both principal and interest) and redemption of the 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B Refunded Bonds on June 25, 2010, the 2000 Refunded Bonds on December 1, 2010, and the 2001 Refunded Bonds on March 1, 2011 (the "Refunding Plan"); and

WHEREAS, pursuant to Section 1400U-1(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 6.04 of Internal Revenue Service Notice 2009-50, the City has received from the national recovery zone bond limitation of \$10,000,000,000, a recovery zone bond allocation of \$33,196,000, with \$13,278,000 of that being allocated for the issuance of Recovery Zone Economic Development Bonds ("RZED Bonds"), and pursuant to Section 1400U-1(b) of the Code and Resolution 31197, the City has designated areas within the City as a "recovery zone" for the purposes of Section 1400U-1, Section 1400U-2 and Section 1400U-3 of the Code; and

WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated May 3, 2010 (the "Preliminary Official Statement"), for the sale of the Bonds has been prepared and the proposed sale of the Bonds to Citigroup Global Markets, Inc., on behalf of itself and J.P. Morgan Securities Inc., Banc of America Merrill Lynch, Barclays Capital Inc., Loop Capital Markets and Siebert Brandford Shank & Co., LLC (the "Underwriters"), pursuant to a bond purchase agreement, 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, THAT:

Section 1. Definitions. The meaning of capitalized terms used and not otherwise defined in this resolution shall be as set forth in the Bond Ordinances.

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

"Bond Ordinance" means Ordinance 123169, as amended by Ordinance 123261, of the City, authorizing the issuance of the Bonds (other than the Bonds issued to refund the Refunded Bonds).

"2010A Bonds" means the \$181,625,000 par value Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment), issued pursuant to and for the purposes provided in the Bond Ordinance and this resolution.

"2010B Bonds" means the \$596,870,000 par value Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B, issued pursuant to and for the purposes provided in the Bond Ordinance and the Refunding Bond Ordinance and this resolution.

"2010C Bonds" means the \$13,275,000 par value Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment), issued pursuant to and for the purposes provided in the Bond Ordinance, Resolution 31197 and this resolution.

"Bonds" means the 2010A Bonds, the 2010B Bonds and the 2010C Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Purchase Agreement" means the Bond Purchase Agreement between the City and the Underwriters, dated the date of this resolution, offering to purchase the Bonds under the terms and conditions provided therein.

"Recovery Zone" means the area or areas within the City designated by Resolution 31197 as a "recovery zone" within the meaning of Section 1400U-1(b) of the Code.

"Recovery Zone Bonds" means, collectively, Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds.

"Recovery Zone Economic Development Bonds" or "RZED Bonds" means Recovery Zone Economic Development Bonds, authorized under Section 1400U-2 of the Code.

"Recovery Zone Facility Bonds" or "RZF Bonds" means Recovery Zone Facility Bonds, authorized under Section 1400U-3 of the Code.

"RZ Bond Volume Cap" means the portion of the national recovery zone bond volume cap limitation allocation to The City of Seattle for issuance of Recovery Zone Bonds pursuant to Section 1400U-1 of the Code, as set forth in Notice 2009-50 of the Internal Revenue Service.

"Refunded Bonds Legislation" means the 1997 Refunded Bond Legislation, the 1998A Refunded Bond Legislation, the 1998B Refunded Bond Legislation, the 2000 Refunded Bond Legislation and the 2001 Refunded Bond Legislation, all authorizing the issuance and sale of the Refunded Bonds.

"Refunded Bonds" means the 1997 Refunded Bonds, the 1998A Refunded Bonds, the 1998B Refunded Bonds, the 2000 Refunded Bonds and the 2001 Refunded Bonds, all identified in Exhibit A attached hereto.

"Refunding Bond Ordinance" means Ordinance 121941 pursuant to which the City authorized the issuance and sale of municipal light and power refunding revenue bonds, as subsequently amended by Ordinance 122838.

"Refunding Plan" means:

(a) the deposit of proceeds of the 2010B Bonds, together with other money of the City (if necessary) sufficient to acquire the Acquired Obligations;

(b) the payment of the interest on the 1997 Refunded Bonds, the 1998A Refunded Bonds and the 1998B Refunded Bonds when due up to and including June 25, 2010, and the call, payment and redemption on June 25, 2010 of all of the outstanding 1997 Refunded Bonds, 1998A Refunded Bonds and 1998B Refunded Bonds at a price of par;

(c) the payment of the interest on the 2000 Refunded Bonds when due up to and including December 1, 2010, and the call, payment and redemption on December 1, 2010, of all of the outstanding 2000 Refunded Bonds at a price of par;

(d) the payment of the interest on the 2001 Refunded Bonds when due up to and including March 1, 2011, and the call, payment and redemption on March 1, 2011, of all of the outstanding 2001 Refunded Bonds at a price of par.

"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 E.

"Refunding Trustee" means U.S. Bank National Association, serving as trustee or escrow agent, or any successor trustee or escrow agent.

"Underwriters" means Citigroup Global Markets, Inc., on behalf of itself and J.P. Morgan Securities Inc., Banc of America Merrill Lynch, Barclays Capital Inc., Loop Capital Markets and Siebert Brandford Shank & Co., LLC.

Section 2. The Bonds. The Bonds shall be issued in three series, individually defined as the "2010A Bonds," the "2010B Bonds," and the "2010C Bonds," and, collectively, as the "Bonds." The 2010A Bonds shall be called "The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment)," and shall be issued in the aggregate principal amount of \$181,625,000. The 2010B Bonds shall be called "The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2010B," and shall be issued in the aggregate principal amount of \$596,870,000. The 2010C Bonds shall be called "The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment)" and shall be issued in the aggregate principal amount of \$13,275,000. The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity and series; 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 semiannually on each February 1 and August 1, commencing February 1, 2011.

The 2010A Bonds shall mature on February 1 of the following years and in the following amounts and shall bear interest as follows:

2010A Bonds			
Maturities	Principal Amounts	Interest Rates	Maturities
2021	\$4,570,000	4.447%	2027
\$8,500,000		5.247%	
2022	7,235,000	4.597	***
2023	7,460,000	4.747	2030
27,375,000		5.47	
2024	7,695,000	4.947	***
2025	7,950,000	5.047	2040
102,620,000		5.57	
2026	8,220,000	5.147	

The 2010B Bonds shall mature on February 1 of the following years and in the following amounts and shall bear interest as follows:

2010B Bonds			
Maturities	Principal Amounts	Interest Rates	Maturities
2011	\$9,350,000	2.00%	2018
\$38,815,000		6.00%	
2012	35,500,000	4.00	2018
6,000,000		4.00	
2013	31,880,000	4.00	2019
42,665,000		5.00	
2013	10,000,000	3.00	2019
1,500,000		4.00	
2014	40,540,000	5.00	2020
43,850,000		5.00	
2014	3,190,000	3.00	2020
2,675,000		4.00	
2015	43,840,000	5.00	2021
34,520,000		5.00	
2015	1,385,000	3.00	2022
33,755,000		5.00	
2016	38,255,000	5.00	2023
33,000,000		5.00	
2016	10,000,000	4.00	2024
34,705,000		5.00	
2017	46,265,000	5.00	2025
29,405,000		5.00	
2017	4,405,000	4.00	2026
22,480,000		5.00	

Portions of the above 2010B Bonds maturity amounts are allocated to pay the respective costs of certain capital improvements to and conservation programs for the Light System and of carrying out the Refunding Plan, including a ratable share of proceeds used to pay the costs of issuance of the 2010B Bonds, all in accordance with the schedule set forth in Exhibit B of this resolution.

The 2010C Bonds shall mature on February 1 of the following years and in the following amounts and shall bear interest as follows:

2010C Bonds	
Maturity	Principal Amount -- Interest Rate
2040	\$13,275,000 -- 5.59%

Section 3. Optional Redemption.

(a) **Optional Redemption of 2010A Bonds and 2010C Bonds with Make-Whole Premium.** The City reserves the right and option to redeem the 2010A Bonds and 2010C Bonds prior to their stated maturity dates, as a whole or in part, on any Business Day at the Make-Whole Redemption Price determined by the Designated Investment Banker.

"Make-Whole Redemption Price" means the greater of: (i) the issue price of the 2010A Bonds or 2010C Bonds (but not less than 100% of the principal amount of the 2010A Bonds or the 2010C Bonds to be redeemed), or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2010A Bonds or the 2010C Bonds to be redeemed (taking into account any mandatory sinking fund redemptions on a pro rata basis), not including any portion of those payments of interest accrued and unpaid as of the date on which the 2010A Bonds or the 2010C Bonds are to be redeemed, discounted on a semi-annual basis to the date on which such 2010A Bonds or 2010C Bonds are to be redeemed, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 25 basis points, plus accrued and unpaid interest on the 2010A Bonds or 2010C Bonds to be redeemed on the redemption date.

(a) Designation of 2010A Bonds as "Build America Bonds." The City hereby irrevocably elects to have Section 54AA of the Code apply to the 2010A Bonds so that the 2010A Bonds are treated as "Build America Bonds," and further to have Subsection 54AA(g) of the Code apply to the 2010A Bonds so that the 2010A Bonds are treated as "qualified bonds" with respect to which the City will be allowed a credit payable by the United States Treasury to or to the order of the City pursuant to Section 6431 of the Code in an amount equal to 35% of the interest payable on the 2010A Bonds on each interest payment date. The City Council hereby authorizes and directs the Director of Finance (or his or her designee) to take such actions as are necessary or appropriate for the City to receive or cause to be received from the United States Treasury the applicable federal credit payments in respect of the 2010A Bonds, including but not limited to the timely filing with the Internal Revenue Service of Form 8038-CP - "Return for Credit Payments to Issuers of Qualified Bonds" and the execution of a Calculation Agency Agreement substantially in the form attached hereto as Exhibit D-1.

(b) Preservation of Tax Exemption for Interest on 2010B Bonds. The City covenants that it will take all actions necessary to prevent interest on the 2010B Bonds from being included in gross income for federal income tax purposes, and that it will neither take any action nor make or permit any use of proceeds of the 2010B Bonds or other funds of the City treated as proceeds of the 2010B Bonds at any time during the term of the 2010B Bonds that will cause interest on the 2010B Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the 2010B Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the 2010B Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the 2010B Bonds from being included in gross income for federal income tax purposes.

(c) Designation of 2010C Bonds as "Recovery Zone Economic Development Bonds". Tax Covenants. The City Council hereby finds that certain components of the Plan of Additions may be appropriately financed with the proceeds of Recovery Zone Economic Development Bonds. The City has received an RZ Bond Volume Cap of \$13,278,000. Pursuant to this RZ Bond Volume Cap, the City, by Resolution 31197, adopted on March 22, 2010, has designated a geographic area within the City as a "recovery zone." Accordingly, the City hereby irrevocably elects to have Section 54AA of the Code apply to the 2010C Bonds so that the 2010C Bonds are treated as "Build America Bonds," and further to designate the 2010C Bonds as "Recovery Zone Economic Development Bonds" for the purposes of Section 1400U-2 of the Code so that the 2010C Bonds are treated as "qualified bonds" with respect to which the City will be allowed a credit payable by the United States Treasury to or to the order of the City pursuant to Section 6431 of the Code in an amount equal to 45% of the interest payable on the 2010C Bonds on each interest payment date. The City Council hereby authorizes and directs the Director of Finance (or his or her designee) to take such actions as are necessary or appropriate for the City to receive or cause to be received from the United States Treasury the applicable federal credit payments in respect of the 2010C Bonds, including but not limited to the timely filing with the Internal Revenue Service of Form 8038-CP - "Return for Credit Payments to Issuers of Qualified Bonds" and the execution of a Calculation Agency Agreement substantially in the form attached hereto as Exhibit D-2. The City covenants to use the proceeds of the 2010C Bonds within the designated Recovery Zone for purposes required by Section 1400U-2 of the Code.

Section 8. Sale and Delivery of Bonds. Citigroup Global Markets, Inc., on its own behalf and on behalf of the other Underwriters, has presented the Bond Purchase Agreement to the City, which written Bond Purchase Agreement is on file with the City Clerk and is incorporated herein by this reference. The City Council finds that entering into the Bond Purchase Agreement is in the City's best interest and therefore accepts the offer contained therein, approves, confirms and ratifies the award of the Bonds to the Underwriters, confirms the terms of the sale as set forth in the Bond Purchase Agreement, and authorizes its execution by the Director of Finance or Debt Manager.

Section 9. 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 or appropriate. Any action of the Director of Finance "deeming final" the Preliminary

premium, together with the interest accrued to the date fixed for redemption.

2010A Term Bonds Maturing 2030

Mandatory Redemption Years	Mandatory Redemption Amounts
2028	\$8,805,000
2029	9,120,000
2030*	9,450,000

*maturity

2010A Term Bonds Maturing 2040

Mandatory Redemption Years	Mandatory Redemption Amounts
2031	\$9,795,000
2032	10,160,000
2033	10,530,000
2034	10,920,000
2035	11,325,000
2036	11,740,000
2037	12,175,000
2038	12,625,000
2039	13,090,000
2040*	26,000

*final maturity

Upon the purchase or redemption of the Term Bonds for which mandatory sinking fund installments have been established, other than by reason of the mandatory sinking fund installment redemption described above, an amount equal to the principal amount of the Term bonds so purchased or redeemed shall be credited toward each of the mandatory sinking fund installments with respect to such Term Bonds of such maturity on a pro rata basis if that basis is consistent with the securities depository's procedures and, if not, randomly.

Section 5. Selection of Bonds for Redemption.

(a) 2010A Bonds or 2010C Bonds. If the 2010A Bonds or 2010C Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2010A Bonds or 2010C Bonds shall be allocated among the registered owners of such 2010A Bonds or 2010C Bonds as nearly as practicable in proportion to the principal amounts of the 2010A Bonds or 2010C Bonds owned by each registered owner, subject to the authorized denominations applicable to the 2010A Bonds or 2010C Bonds. This will be calculated based on the following formula:

$$\frac{\text{(principal amount to be redeemed)} \times \text{(principal amount owned by owner)}}{\text{(principal amount outstanding)}}$$

If the 2010A Bonds or 2010C Bonds are registered in book-entry only form, and so long as DTC or a successor securities depository is the sole registered owner of the 2010A Bonds or 2010C Bonds, partial redemptions will be done in accordance with DTC procedures. It is the City's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the City and the beneficial owners be made in accordance with these same proportional provisions.

(b) 2010B Bonds. If fewer than all of the 2010B Bonds are to be redeemed prior to maturity, the City will select the maturity or maturities to be redeemed. If fewer than all of a single maturity of 2010B Bonds are to be redeemed prior to maturity, then:

(i) if such 2010B Bonds are in book-entry form at the time of such redemption, DTC shall select the specific 2010B Bonds in accordance with the Letter of Representations, and

(ii) if such 2010B Bonds are not in book-entry form at the time of such redemption, on each redemption date, the Bond Registrar shall select the specific 2010B Bonds for redemption randomly or in such manner as the Bond Registrar in its discretion may deem to be fair and appropriate.

The portion of any 2010B Bond of a denomination more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof, to be selected, as the case may be, by DTC in accordance with the Letter of Representations or by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem to be fair and appropriate.

Section 6. Form of Bonds. The 2010A Bonds shall be substantially in the form attached hereto as Exhibit C-1, the 2010B Bonds shall be substantially in the form attached here as Exhibit C-2, and the 2010C Bonds shall be substantially in the form attached here as Exhibit C-3, all of which are incorporated herein by this reference.

"Treasury Rate" means, with respect to any redemption date for a particular 2010A Bond or 2010C Bond, the rate per annum expressed as a percentage of the principal amount, equal to the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

"Comparable Treasury Issue" means, with respect to any redemption date for a particular 2010A Bond or 2010C Bond, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of such 2010A Bond or 2010C Bond, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2010A Bond or 2010C Bond to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular 2010A Bond or 2010C Bond, (i) if the Designated Investment Banker receives at least five Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation, or (ii) if the Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the City.

"Reference Treasury Dealer" means each of five firms, specified by the City from time to time, that are primary United States Government securities dealers in the City of New York (each, a "Primary Treasury Dealer"), which may include one or more of the Underwriters; provided, that if any of them ceases to be a Primary Treasury Dealer, the City will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2010A Bond or 2010C Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the City and the Bond Registrar by such Reference Treasury Dealer at 3:30 p.m., New York City time, on a date that is no earlier than four days prior to the date the redemption notice is mailed.

(b) Extraordinary Optional Redemption of 2010A Bonds or 2010C Bonds. The 2010A Bonds or 2010C Bonds are subject to redemption at any time prior to their stated maturity at the option of the City, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of (i) 100% of the principal amount of the 2010A Bonds or 2010C Bonds to be redeemed, or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2010A or 2010C Bonds to be redeemed (taking into account any mandatory sinking fund redemptions on a pro rata basis), not including any portion of those payments of interest accrued and unpaid as of the date on which the 2010A Bonds or 2010C Bonds are to be redeemed, on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis points, plus accrued and unpaid interest on the 2010A Bonds or 2010C Bonds to be redeemed to the redemption date.

An "Extraordinary Event" will have occurred if (i) Section 54AA, Section 1400U-2 or Section 6431 of the Code (as such sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009 pertaining to "Build America Bonds" or "Recovery Zone Economic Development Bonds") is modified or amended in a manner pursuant to which the City's 35% or 45% (as applicable) cash subsidy from the United States Treasury is reduced or eliminated, or (ii) guidance is published by the Internal Revenue Service or the United States Treasury Department with respect to such sections that places one or more substantive new conditions on the receipt by the City of such 35% or 45% cash subsidy payments and such conditions(s) are unacceptable to the City.

(c) Optional Redemption of 2010B Bonds. 2010B Bonds maturing on or before February 1, 2020, shall be issued without the right or option of the City to redeem those 2010B Bonds prior to their stated maturity dates. The City reserves the right and option to redeem the 2010B Bonds maturing on or after February 1, 2021, prior to their stated maturity dates at any time on or after February 1, 2020, as a whole or in part, at a price of par plus accrued interest to the date fixed for redemption.

(d) Conditional Calls. In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected registered owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Section 4. Mandatory Redemption. In addition to optional redemption, the 2010A Bonds identified below, designated as Term Bonds, shall be redeemed prior to maturity (or paid at maturity), not later than February 1 in the years 2030 and 2040 and in the sinking fund installments set forth below, without

Official Statement with respect to the Bonds is ratified and confirmed.

Section 10. Use of Bond Proceeds; Refunding Plan. The principal proceeds of the Bonds received by the City and, if necessary, other money of the City shall be applied as follows (the amounts to be determined by the Director of Finance prior to the issuance of the Bonds): (i) an amount of 2010B Bonds 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 Bonds Legislation pursuant to the Refunding Plan, as defined herein and modified or amplified by the Refunding Trust Agreement; (ii) an amount sufficient to fund the additional amount necessary to satisfy the Reserve Fund Requirement shall be deposited into the Reserve Subaccount; and (iii) the balance of the Bond proceeds shall be deposited in the account(s) within the Light Fund as designated by the Director of Finance and shall be used to pay part of the costs of the Plan of Additions and costs of issuing the Bonds, and for any other purposes described in the Bond Ordinances.

Section 11. Call for Redemption of the Refunded Bonds. In accordance with the Refunded Bond Legislation, as part of the Refunding Plan, the City calls the Refunded Bonds for redemption on the dates and at the redemption prices set forth in the Refunding Plan, plus accrued interest to the date of redemption.

Such calls for redemption shall be irrevocable after the delivery of the 2010B Bonds to the Underwriters.

The proper officials of the City are authorized and directed to give or cause to be given such notices as are required, at the times 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 12. City Findings With Respect to Refunding. The City finds and determines that the issuance and sale of the 2010B Bonds allocated to the Refunding Plan will effect a savings to the City and will be in the best interest of the City and in the public interest through the restructuring of debt service. In making such finding and determination, the City has given consideration to the fixed maturities and scheduled redemptions of the 2010B Bonds allocated to the Refunding Plan 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 2010B Bonds allocated to the Refunding Plan and other money, if any, of the City used in the Refunding Plan pending payment and redemption of the Refunded Bonds. The City further finds and determines that the money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with the Refunding Bond Ordinance and this resolution will discharge and satisfy the obligations of the City with respect to the Refunded Bonds under the Refunded Bonds Legislation and the pledges, charges, trusts, covenants and agreements of the City previously 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 Bonds Legislation immediately upon the deposit of such money with the Refunding Trustee. Accordingly, the City finds and determines that the issuance and sale of the 2010B Bonds allocable to the Refunding Plan is in the best interest of the City and in the public interest. In making such finding and determination, the City has given consideration to the interest rates, the maturities and scheduled redemptions of the 2010B Bonds and the Refunded Bonds, and the costs of issuance of the 2010B Bonds.

Section 13. City Finding as to Sufficiency of Gross Revenue. The City Council finds and determines that the issuance and sale of the Bonds at this time is in the best interest of the City and in the public interest. In making such findings and determinations, the City Council has exercised due regard for the cost of operation and maintenance of the Light System and to any portion of the Gross Revenues pledged for the payment of any bonds, warrants or other indebtedness, and that the Gross Revenues, at the rates established from time to time consistent with Section 15(d) of Ordinance 123169, will be sufficient, in the judgment of the City Council, to meet all expenses of operation and maintenance of the Light System and to provide the amounts previously pledged for the payment of all outstanding obligations payable out of the Gross Revenues and pledged therein for the payment of the Bonds.

Section 14. Undertaking to Provide Continuing Disclosure. This Section 14 constitutes the written undertaking (the "Undertaking") for the benefit of the holders of the Bonds as required by paragraph (b)(5) of SEC Rule 15c2-12, (the "Rule"), and pursuant to the Bond Ordinance and the Refunding Bond Ordinance. For purposes of this Undertaking, the term "holders of the Bonds" shall have the meaning intended in 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 the Municipal Securities Rulemaking Board (the "MSRB"), annual financial information and operating data regarding the Light System of the type included in the Official Statement for the Bonds as follows: (i) annual financial statements of the Light System, prepared in accordance with generally accepted accounting principles applicable to local governmental units of the State of Washington (the "State") (except as otherwise noted therein), as such principles may be changed from time to time and as permitted by State law, which 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 bonded debt secured by Gross Revenues of the Light System; (iii) debt service coverage ratios for the bonded debt secured by Gross Revenues of the Light System; (iv) sources of Light System power and MWh produced by these sources; and (v) general customer statistics, including the average number of customers, revenues and energy sales by customer class.

Annual financial information, as described above, will be provided to the MSRB 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, 2010. The annual financial information may be provided in a single document or in multiple documents, and may be incorporated by specific reference to documents available to the public on the internet website of the MSRB or filed with the Securities and Exchange Commission.

(b) To the MSRB, 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 2010B 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 the MSRB, 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 or the MSRB, under the circumstances and in the manner permitted by the Rule. The City will give notice to the MSRB 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 operating data or financial 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 any 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.

This Undertaking shall inure to the benefit of the City and any holder of the Bonds, and shall not inure to the benefit of or create any rights in any other person.

Section 15. Termination of Undertaking. The City's obligations under the Undertaking described in Section 14 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 MSRB of such termination.

Section 16. 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, the Refunding Bond Ordinance and this resolution.

Section 17. 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 18. 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 19. Incorporation by Reference. Each of Exhibit A, Exhibit B, Exhibit C-1, Exhibit C-2, Exhibit C-3, Exhibit D-1, Exhibit D-2, and Exhibit E attached to this resolution is by this reference incorporated herein.

Section 20. 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 13th day of May, 2010, and signed by me in open session in authentication of its adoption this 13th day of May, 2010.

Richard Conlin
President of the City Council
Filed by me this 13th day of May, 2010.
LIST OF EXHIBITS
Exhibit A - Refunded Bonds
Exhibit B - Allocation of 2010B Bonds
Exhibit C-1 - 2010A Bond Form
Exhibit C-2 - 2010B Bond Form
Exhibit C-3 - 2010C Bond Form
Exhibit D-1 - 2010A Calculation Agency Agreement
Exhibit D-2 - 2010C Calculation Agency Agreement
Exhibit E - Form of Refunding Trust Agreement

See the City Clerk for Exhibits
Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, May 21, 2010.
6/21(255008)