

Resolution No. 31263

The City of Seattle - Legislative Department

Resolution sponsored by: Burgess

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A and The City of Seattle, Washington, Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy 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

~~1-12-11 Adopted 7-0~~

~~Excused: Conlin~~

~~Absent: Rasmussen~~

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date Decision Vote

1-12-11 Adopted 7-0

Excused: Conlin

Absent: Rasmussen

Related Legislation File: \_\_\_\_\_

Date Introduced and Referred: <u>1-12-11</u>	To: (committee): <u>Full Council</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>1-12-11</u>	Date Presented to Mayor: <u>—</u>
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Adopted January 12, 2011

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5 Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A and  
6 The City of Seattle, Washington, Municipal Light and Power Improvement Revenue  
7 Bonds, 2011B (Taxable New Clean Renewable Energy Bonds – Direct Payment);  
8 specifying the amount, maturities, interest rates and other terms of the bonds; providing  
9 for the payment of part of the cost of certain capital improvements to and conservation  
10 programs for the Light System of the City, providing for the Reserve Fund Requirement,  
11 and providing for the refunding of certain of the City’s outstanding municipal light and  
12 power bonds; approving the form and execution of certain agreements; and ratifying and  
13 confirming certain prior acts.

14 WHEREAS, pursuant to Ordinance 123483 (the “Bond Ordinance”), The City of Seattle,  
15 Washington (the “City”) authorized the issuance of its not to exceed \$210,000,000  
16 municipal light and power revenue bonds, in one or more series, to (i) pay part of the cost  
17 of carrying out the Plan of Additions for the Light System of the City; (ii) provide for the  
18 Reserve Fund Requirement; and (iii) pay the costs of sale and issuance of those bonds;  
19 and

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

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

27 WHEREAS, the Bond Ordinance and the Refunding Bond Ordinance authorized the Director of  
28 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 Ordinance; and

WHEREAS, the City received an allocation in the amount of \$29,319,906.48 of new clean  
renewable energy bonds from the United States Department of Treasury to finance  
capacity and efficiency improvements at the Boundary Hydroelectric Project; and

WHEREAS, the Director of Finance has recommended the issuance of \$296,315,000 of  
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A (the  
“2011A Bonds”) and \$10,000,000 of Municipal Light and Power Improvement Revenue  
Bonds, 2011B (Taxable New Clean Renewable Energy Bonds – Direct Payment) (the  
“2011B Bonds” and together with the 2011A Bonds, the “Bonds”), to carry out the

1 purposes of the Bond Ordinance and, pursuant to the Refunding Bond Ordinance, to  
2 refund all or a portion of the 2001 Bonds (the "Refunded Bonds"); and

3 WHEREAS, to accomplish the refunding of the Refunded Bonds, it is necessary and advisable  
4 that certain Acquired Obligations (defined herein) bearing interest and maturing at such  
5 time or times as necessary to accomplish the Refunding Plan (defined herein) be  
6 purchased out of a portion of the proceeds of the Bonds, with other money of the City, if  
7 necessary, and provide for the call, payment (both principal and interest) and redemption  
8 of the Refunded Bonds (the "Refunding Plan"); and

9 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated January 3,  
10 2011 (the "Preliminary Official Statement"), for the public sale of the Bonds was  
11 prepared, an official notice of that sale (the "Notice of Bond Sale") was given, bids have  
12 been received in accordance with the Notice of Bond Sale, and the proposed sale of the  
13 Bonds has been recommended to the City Council for its approval with the interest rates  
14 and other terms of and matters relating to the Bonds; NOW, THEREFORE,

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

16 **THAT:**

17 **Section 1. Definitions.** The meaning of capitalized terms used and not otherwise  
18 defined in this resolution shall be as set forth in the Bond Ordinance and the Refunding Bond  
19 Ordinance.

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

23 **"Bond Ordinance"** means Ordinance 123483 of the City, authorizing the issuance of the  
24 Bonds (other than the Bonds issued to refund the Refunded Bonds).

25 **"2011A Bonds"** means the \$296,315,000 par value Municipal Light and Power  
26 Improvement and Refunding Revenue Bonds, 2011A, issued pursuant to and for the purposes  
27 provided in the Bond Ordinance, the Refunding Bond Ordinance and this resolution.

28 **"2011B Bonds"** means the \$10,000,000 par value Municipal Light and Power  
Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds - Direct  
Payment), issued pursuant to and for the purposes provided in the Bond Ordinance and this  
resolution.

1           **“Bonds”** means the 2011A Bonds and the 2011B Bonds.

2           **“Code”** means the Internal Revenue Code of 1986, as amended.

3           **“Purchasers”** means Citigroup Global Markets Inc. for the 2011A Bonds and Robert W.  
4 Baird & Co., Inc. for the 2011B Bonds.

5           **“Refunded Bond Legislation”** means Ordinance 120274 and Resolution 30298 of the  
6 City authorizing the issuance and sale of the Refunded Bonds.

7           **“Refunded Bonds”** means the 2001 Bonds identified in Exhibit A attached hereto.

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

11          **“Refunding Plan”** means:

12           (a) the deposit of proceeds of a portion of the 2011A Bonds, together with other  
13 money of the City (if necessary), sufficient to acquire the Acquired Obligations; and

14           (b) the payment of the interest on the Refunded Bonds when due up to and including  
15 March 10, 2011, and the call, payment and redemption on March 10, 2011, of all of the  
16 outstanding Refunded Bonds at a price of par.

17          **“Refunding Trust Agreement”** means the Refunding Trust Agreement between the City  
18 and the Refunding Trustee relating to the Refunded Bonds, substantially in the form attached  
19 hereto as Exhibit G.

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

22          **Section 2. The Bonds.** The Bonds shall be issued in two series, individually defined as  
23 the “2011A Bonds” and the “2011B Bonds” and, collectively, as the “Bonds.” The 2011A  
24 Bonds shall be called “The City of Seattle, Washington, Municipal Light and Power  
25 Improvement and Refunding Revenue Bonds, 2011A,” and shall be issued in the aggregate  
26 principal amount of \$296,315,000. The 2011B Bonds shall be called “The City of Seattle,  
27 Washington, Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New  
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Clean Renewable Energy Bonds – Direct Payment),” and shall be issued in the aggregate principal amount of \$10,000,000. 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 August 1, 2011.

The 2011A Bonds shall mature on August 1, 2011 and February 1 of the following years and in the following amounts and shall bear interest as follows:

2011A Bonds

<u>Maturities</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
08/01/2011	\$ 2,965,000	1.00%	02/01/2023	\$13,870,000	5.00%
02/01/2012	10,770,000	1.00	02/01/2024	14,580,000	5.00
02/01/2013	4,555,000	5.00	02/01/2025	15,325,000	5.00
02/01/2014	11,985,000	5.00	02/01/2026	16,110,000	5.00
02/01/2015	13,005,000	5.00	02/01/2028	9,380,000	5.25
02/01/2016	13,250,000	5.00	02/01/2029	9,900,000	5.50
02/01/2017	13,925,000	5.00	02/01/2030	10,460,000	5.50
02/01/2018	11,415,000	5.00	02/01/2031	11,035,000	5.25
02/01/2019	11,350,000	5.00	02/01/2032	11,630,000	5.25
02/01/2020	11,930,000	5.00	02/01/2033	12,255,000	5.25
02/01/2021	12,550,000	5.00	***	***	***
02/01/2022	13,185,000	5.00	02/01/2036	40,885,000	5.25

Portions of the above 2011A 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 2011A Bonds, all in accordance with the schedule set forth in Exhibit B of this resolution.

1 The 2011B Bonds shall mature on February 1, 2027 in the following amount and shall  
2 bear interest as follows:

<u>2011B Bonds</u>		
<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
02/01/2027	\$10,000,000	5.75%

6 **Section 3. Optional Redemption.**

7 (a) Optional Redemption of the 2011A Bonds. The 2011A Bonds maturing on or  
8 before February 1, 2021, are not subject to redemption prior to maturity. The City reserves the  
9 right and option to redeem the 2011A Bonds maturing on or after February 1, 2022, prior to their  
10 stated maturity dates at any time on or after February 1, 2021, as a whole or in part, at a price of  
11 par plus accrued interest to the date fixed for redemption.

12 (b) Optional Redemption of 2011B Bonds with Make-Whole Premium. The City  
13 reserves the right and option to redeem the 2011B Bonds on or prior to their stated maturity date,  
14 as a whole or in part, on any Business Day at the Make-Whole Redemption Price determined by  
15 the Designated Investment Banker.

16 "Make-Whole Redemption Price" means the greater of: (i) the issue price of the 2011B  
17 Bonds (but not less than 100% of the principal amount of the 2011B Bonds to be redeemed), or  
18 (ii) the sum of the present values of the remaining scheduled payments of principal of and  
19 interest on the 2011B Bonds to be redeemed, not including any portion of those payments of  
20 interest accrued and unpaid as of the date on which the 2011B Bonds are to be redeemed,  
21 discounted on a semi-annual basis to the date on which such 2011B Bonds are to be redeemed,  
22 assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 25 basis  
23 points, plus accrued and unpaid interest on the 2011B Bonds to be redeemed on the redemption  
24 date.

25 "Treasury Rate" means, with respect to any redemption date for a particular 2011B Bond,  
26 the rate per annum expressed as a percentage of the principal amount, equal to the semi-annual  
27 equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming  
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1 that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the  
2 Comparable Treasury Price, as calculated by the Designated Investment Banker.

3 “Comparable Treasury Issue” means, with respect to any redemption date for a particular  
4 2011B Bond, the United States Treasury security or securities selected by the Designated  
5 Investment Banker that has an actual or interpolated maturity comparable to the remaining  
6 average life of such 2011B Bond to be redeemed, and that would be utilized in accordance with  
7 customary financial practice in pricing new issues of debt securities of comparable maturity to  
8 the remaining average life of such 2011B Bond to be redeemed.

9 “Comparable Treasury Price” means, with respect to any redemption date for a particular  
10 2011B Bond, (i) if the Designated Investment Banker receives at least five Reference Treasury  
11 Dealer Quotations, the average of such quotations for such redemption date, after excluding the  
12 highest and lowest such Reference Treasury Dealer Quotation, or (ii) if the Designated  
13 Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of  
14 all such quotations.

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

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

22 “Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury  
23 Dealer and any redemption date for a particular 2011B Bond, the average, as determined by the  
24 Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue  
25 (expressed in each case as a percentage of its principal amount) quoted in writing to the City and  
26 the Bond Registrar by such Reference Treasury Dealer at 3:30 p.m., New York City time, on a  
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1 date that is no earlier than four days after the date of the redemption notice and no later than four  
2 days preceding such redemption date.

3 (d) No Extraordinary Optional Redemption of 2011A Bonds. The 2011A Bonds are  
4 not subject to extraordinary optional redemption.

5 (e) Extraordinary Optional Redemption of 2011B Bonds. The 2011B Bonds are  
6 subject to extraordinary optional redemption at any time prior to their stated maturity at the  
7 option of the City, in whole or in part, upon the occurrence of an Extraordinary Event, at a  
8 redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of  
9 (i) 100% of the principal amount of the 2011B Bonds to be redeemed, or (ii) the sum of the  
10 present values of the remaining scheduled payments of principal of and interest on the 2011B  
11 Bonds to be redeemed, not including any portion of those payments of interest accrued and  
12 unpaid as of the date on which the 2011B Bonds are to be redeemed, on a semi-annual basis,  
13 assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis  
14 points, plus accrued and unpaid interest on the 2011B Bonds to be redeemed to the redemption  
15 date.

16 An "Extraordinary Event" will have occurred if (i) Section 6431 of the Code is modified  
17 or amended in a manner pursuant to which the City's applicable cash subsidy payment from the  
18 United States Treasury is reduced or eliminated, or (ii) guidance is published by the Internal  
19 Revenue Service or the United States Treasury Department with respect to such sections that  
20 places one or more substantive new conditions on the receipt by the City of its applicable cash  
21 subsidy payments and such conditions(s) are unacceptable to the City.

22 **Section 4. Mandatory Redemption.** In addition to optional redemption, the 2011A  
23 Bonds identified below, designated as Term Bonds, shall be redeemed prior to maturity (or paid  
24 at maturity), not later than February 1 in the year 2036 and in the sinking fund installments set  
25 forth below, without premium, together with the interest accrued to the date fixed for  
26 redemption.

2036 Term Bonds Maturing February 1

Mandatory Redemption Years	Mandatory Redemption Amounts
2034	\$12,920,000
2035	13,615,000
2036*	14,350,000

\*Maturity

Upon the purchase or redemption of 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 Bonds so purchased or redeemed shall be credited toward each of the mandatory sinking fund installments with respect to such Bonds of such maturity on a proportionate basis in such manner as the City shall determine. Amounts so purchased or redeemed for Bonds that are Term Bonds, if any, shall be credited against mandatory sinking fund installments randomly.

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

(a) 2011A Bonds. If fewer than all of the 2011A Bonds are to be redeemed prior to maturity, the City will select the maturity or maturities to be redeemed. If fewer than all of the bonds of a single maturity of 2011A Bonds are to be redeemed prior to maturity, then:

- (i) if such 2011A Bonds are in book-entry form at the time of such redemption, DTC is required to select the specific 2011A Bonds in accordance with the Letter of Representations, and
- (ii) if such 2011A Bonds are not in book-entry form at the time of such redemption, on each redemption date, the Bond Registrar shall select the specific 2011A 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 2011A 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.

(b) 2011B Bonds. If less than all of the 2011B Bonds are to be optionally redeemed, the 2011B Bonds or portions thereof to be redeemed are to be selected randomly by the Registrar or DTC, as applicable, in accordance with their respective standard procedures. The portion of

1 any 2011B Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal  
2 amount of \$5,000 or any integral multiple thereof and that in selecting portions of such 2011B  
3 Bonds for redemption, the Registrar will treat each such 2011B Bonds as representing that  
4 number of such 2011B Bonds of \$5,000 denomination that is obtained by dividing the principal  
5 amount of such 2011B Bonds to be redeemed in part by \$5,000.

6 If the 2011B Bonds are not registered in book-entry only form, any redemption of less  
7 than all of the 2011B Bonds shall be allocated among the registered owners of such 2011B  
8 Bonds as nearly as practicable in proportion to the principal amounts of the 2011B Bonds owned  
9 by each registered owner, subject to the authorized denominations applicable to the 2011B  
10 Bonds. This will be calculated based on the following formula:

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

13 If the 2011B Bonds are registered in book-entry only form, and so long as DTC or a  
14 successor securities depository is the sole registered owner of the 2011B Bonds, partial  
15 redemptions will be done in accordance with DTC procedures. If DTC or a successor securities  
16 depository is willing and able to make redemption allocations in accordance with proportional  
17 provisions, including pro rata pass-through distribution of principal, it is the preference to use  
18 such proportional provisions. If proportional provisions are used, they will be done in  
19 accordance with DTC's or the successor securities depository's procedures. Alternatively, if the  
20 securities depository is not willing or able to make allocations proportionately, redemption  
21 allocations will be done by lot.

22 **Section 6. Form of Bonds.** The 2011A Bonds shall be substantially in the form attached  
23 hereto as Exhibit C-1 and the 2011B Bonds shall be substantially in the form attached hereto as  
24 Exhibit C-2, both of which are incorporated herein by this reference.

25 **Section 7. Tax Matters.**

26 (a) **Preservation of Tax Exemption for Interest on 2011A Bonds.** The City covenants  
27 that it will take all actions necessary to prevent interest on the 2011A Bonds from being included  
28 in gross income for federal income tax purposes, and that it will neither take any action nor make

1 or permit any use of proceeds of the 2011A Bonds or other funds of the City treated as proceeds  
2 of the 2011A Bonds at any time during the term of the 2011A Bonds that will cause interest on  
3 the 2011A Bonds to be included in gross income for federal income tax purposes. The City also  
4 covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is  
5 applicable to the 2011A Bonds, take all actions necessary to comply (or to be treated as having  
6 complied) with that requirement in connection with the 2011A Bonds, including the calculation  
7 and payment of any penalties that the City has elected to pay as an alternative to calculating  
8 rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the  
9 Code to prevent interest on the 2011A Bonds from being included in gross income for federal  
10 income tax purposes.

11 (b) Designation of 2011B Bonds as “New Clean Renewable Energy Bonds.” The  
12 City has received an allocation of new clean renewable energy bonds in the amount of  
13 \$29,319,906.48 to finance capacity and efficiency improvements at the Boundary Hydroelectric  
14 Project. The 2011B Bonds are being issued as new clean renewable energy bonds and will use  
15 \$10,000,000 of the Boundary Hydroelectric Project allocation. The City hereby irrevocably  
16 elects to have Section 6431(f) of the Code apply to the 2011B Bonds so that the 2011B Bonds  
17 are treated as “specified tax credit bonds,” with respect to which the City will be allowed a credit  
18 payable by the United States Treasury to the order of the City pursuant to Section 6431 of the  
19 Code in an amount equal to the lesser of (i) the amount of interest payable on the 2011B Bonds  
20 on each interest payment date or (ii) 70% of the amount of interest which would have been  
21 payable on the 2011B Bonds on such date if such interest were determined at the applicable  
22 credit rate determined under Section 54A(b)(3) of the Code with respect to the 2011B Bonds.  
23 The City Council hereby authorizes and directs the Director of Finance (or his or her designee) to  
24 take such actions as are necessary or appropriate for the City to receive or cause to be received  
25 from the United States Treasury the applicable federal credit payments in respect of the 2011B  
26 Bonds, including but not limited to the timely filing with the Internal Revenue Service of Form  
27 8038-CP – “Return for Credit Payments to Issuers of Qualified Bonds” and the execution of a  
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1 Calculation Agency Agreement substantially in the form attached hereto as Exhibit F. Prior to  
2 executing the Calculation Agency Agreement, the Director of Finance (or his or her designee) is  
3 authorized to make such changes therein that do not change the substance and purpose thereof.

4 **Section 8. Sale and Delivery of Bonds.** The City finds that the sale and delivery of the  
5 2011A Bonds to Citigroup Global Markets Inc. (the "2011A Purchaser") and the sale and  
6 delivery of the 2011B Bonds to Robert W. Baird & Co., Inc. (the "2011B Purchaser"), at the  
7 interest rates and under the conditions set forth in the Bond Ordinance, this resolution, the Notice  
8 of Bond Sale attached hereto as Exhibit D, and the electronic bids of the Purchasers, printed  
9 copies of which are attached hereto as a part of Exhibit E, is in the City's best interest and  
10 therefore approves, confirms and ratifies the award of the 2011A Bonds to the 2011A Purchaser  
11 and the award of the 2011B Bonds to the 2011B Purchaser.

12 **Section 9. Authorization of Official Statement.** The Director of Finance is hereby  
13 authorized and directed to review and approve on behalf of the City a final official statement (the  
14 "Official Statement") with respect to the Bonds, substantially in the form of the Preliminary  
15 Official Statement and supplemented or amended as he, with the approval of Bond Counsel,  
16 deems necessary or appropriate. Any action of the Director of Finance "deeming final" the  
17 Preliminary Official Statement with respect to the Bonds is ratified and confirmed.

18 **Section 10. Use of Bond Proceeds; Reserve Fund Requirement.** The principal  
19 proceeds of the Bonds received by the City and, if necessary, other money of the City shall be  
20 applied as follows (the amounts to be determined by the Director of Finance prior to the issuance  
21 of the Bonds):

22 (a) **Refunding.** An amount of 2011A Bonds sufficient to carry out the Refunding  
23 Plan shall be deposited immediately upon the receipt thereof with the Refunding Trustee and  
24 used to discharge the obligations of the City relating to the Refunded Bonds under the Refunded  
25 Bond Legislation pursuant to the Refunding Plan, as defined herein and modified or amplified by  
26 the Refunding Trust Agreement;

1 (b) Reserve Fund Requirement and Deposit. The Reserve Fund Requirement for the  
2 2011 Bonds means the lesser of (a) the 2011 Bonds' proportionate share of the maximum Annual  
3 Debt Service on all Parity Bonds outstanding and (b) the maximum amount permitted by the  
4 Code as a "reasonably required reserve or replacement fund." An amount of 2011A Bond  
5 proceeds sufficient to fund the additional amount necessary to satisfy the Reserve Fund  
6 Requirement shall be deposited into the Reserve Subaccount. No proceeds of the 2011B Bonds  
7 will be deposited in the Reserve Subaccount;

8 (c) Improvements. The balance of the 2011A Bond proceeds and all of the 2011B  
9 Bond proceeds shall be deposited in the account(s) within the Light Fund as designated by the  
10 Director of Finance and shall be used to pay part of the costs of the Plan of Additions and their  
11 proportionate share of costs of issuing the Bonds, and for any other purposes described in the  
12 Bond Ordinance.

13 **Section 11. Refunding Plan.**

14 (a) Appointment of Refunding Trustee. U.S. Bank National Association of Seattle,  
15 Washington, is appointed Refunding Trustee.

16 (b) Use of Bond Proceeds; Acquisition of Acquired Obligations. A sufficient amount  
17 of the proceeds of the sale of the Bonds shall be deposited immediately upon the receipt thereof  
18 with the Refunding Trustee and used to discharge the obligations of the City relating to the  
19 Refunded Bonds under the Refunded Bond Legislation by providing for the payment of the  
20 amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations  
21 shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired  
22 Obligations, bearing such interest and maturing as to principal and interest in such amounts and  
23 at such times so as to provide, together with a beginning cash balance, if necessary, for the  
24 payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations are  
25 listed and more particularly described in Exhibit A attached to the Refunding Trust Agreement  
26 between the City and the Refunding Trustee, but are subject to substitution as set forth below.  
27 Any Bond proceeds or other money deposited with the Refunding Trustee not needed to  
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1 purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the  
2 costs of issuance of the Bonds shall be returned to the City at the time of delivery of the Bonds to  
3 the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Bonds on the  
4 first interest payment date or in the Project Fund to pay costs of the Project.

5 (c) Substitution of Acquired Obligations. Prior to the purchase of any Acquired  
6 Obligations by the Refunding Trustee, the City reserves the right to substitute other direct,  
7 noncallable obligations of the United States of America (“Substitute Obligations”) for any of the  
8 Acquired Obligations and to use any savings created thereby for any lawful City purpose if,  
9 (a) in the opinion of the City’s nationally recognized bond counsel, the interest on the Bonds and  
10 the Refunded Bonds will remain excluded from gross income for federal income tax purposes  
11 under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the  
12 timely payment of the amounts required to be paid by the Refunding Plan, as verified by a  
13 nationally recognized independent certified public accounting firm.

14 After the purchase of the Acquired Obligations by the Refunding Trustee, the City  
15 reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions  
16 that such money or securities held by the Refunding Trustee shall be sufficient to carry out the  
17 Refunding Plan, that such substitution will not cause the Bonds or the Refunded Bonds to be  
18 arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in  
19 effect on the date of such substitution and applicable to obligations issued on the issue dates of  
20 the Bonds and the Refunded Bonds, as applicable, and that the City obtain, at its expense: (1) a  
21 verification by a nationally recognized independent certified public accounting firm acceptable  
22 to the Refunding Trustee confirming that the payments of principal of and interest on the  
23 substitute securities, if paid when due, and any other money held by the Refunding Trustee will  
24 be sufficient to carry out the Refunding Plan; and (2) an opinion from the City’s nationally  
25 recognized bond counsel, to the effect that the disposition and substitution or purchase of such  
26 securities, under the statutes, rules, and regulations then in force and applicable to the Bonds,  
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1 will not cause the interest on the Bonds or the Refunded Bonds to be included in gross income  
2 for federal income tax purposes and that such disposition and substitution or purchase is in  
3 compliance with the statutes and regulations applicable to the Bonds. Any surplus money  
4 resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and  
5 the substitutions therefor shall be released from the refunding trust and transferred to the City to  
6 be used for any lawful City purpose.

7 (d) Administration of Refunding Plan. The Refunding Trustee is authorized and  
8 directed to purchase the Acquired Obligations (or Substitute Obligations) and to make the  
9 payments required to be made by the Refunding Plan from the Acquired Obligations (or  
10 Substitute Obligations) and money deposited with the Refunding Trustee pursuant to this  
11 resolution. All Acquired Obligations (or Substitute Obligations) and the money deposited with  
12 the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied  
13 in accordance with the provisions of the Refunded Bond Legislation, this resolution, chapter  
14 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust  
15 Agreement. All necessary and proper fees, compensation, and expenses of the Refunding  
16 Trustee for the Bonds and all other costs incidental to the setting up of the escrow to accomplish  
17 the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Bonds,  
18 including bond printing, verification fees, bond counsel's fees, and other related expenses, shall  
19 be paid out of the proceeds of the Bonds.

20 (e) Authorization for Refunding Trust Agreement. To carry out the Refunding Plan  
21 provided for by this resolution, the City Council hereby authorizes and directs the Director of  
22 Finance (or his or her designee) to execute and deliver to the Refunding Trustee a Refunding  
23 Trust Agreement substantially in the form attached hereto as Exhibit G setting forth the duties,  
24 obligations and responsibilities of the Refunding Trustee in connection with the payment,  
25 redemption, and retirement of the Refunded Bonds as provided herein and stating that the  
26 provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set  
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1 forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the  
2 Director of Finance (or his or her designee) is authorized to make such changes therein that do  
3 not change the substance and purpose thereof or that assure that the escrow provided therein and  
4 the Bonds are in compliance with the requirements of federal law governing the exclusion of  
5 interest on the Bonds from gross income for federal income tax purposes.

6 **Section 12. Call for Redemption of the Refunded Bonds.** In accordance with the  
7 Refunded Bond Legislation, as part of the Refunding Plan, the City calls the Refunded Bonds for  
8 redemption on the date and at the redemption price set forth in the Refunding Plan, plus accrued  
9 interest to the date of redemption.

10 Such call for redemption shall be irrevocable after the delivery of the 2011A Bonds to the  
11 Purchaser.

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

16 **Section 13. City Findings With Respect to Refunding.** The City finds and determines  
17 that the issuance and sale of the 2011A Bonds allocated to the Refunding Plan will effect a debt  
18 service savings to the City and will be in the best interest of the City. In making such finding  
19 and determination, the City has given consideration to the fixed maturities and scheduled  
20 redemptions of the 2011A Bonds allocated to the Refunding Plan and the Refunded Bonds and  
21 allocable costs of issuance, and the known earned income from the investment of the proceeds of  
22 the issuance and sale of the 2011A Bonds allocated to the Refunding Plan and other money, if  
23 any, of the City used in the Refunding Plan pending payment and redemption of the Refunded  
24 Bonds. The City further finds and determines that the money to be deposited with the Refunding  
25 Trustee for the Refunded Bonds in accordance with the Refunding Bond Ordinance and this  
26 resolution will discharge and satisfy the obligations of the City with respect to the Refunded  
27 Bonds under the Refunded Bond Legislation and the pledges, charges, trusts, covenants and  
28

1 agreements of the City previously made or provided for as to the Refunded Bonds, and that the  
2 Refunded Bonds shall no longer be deemed to be outstanding under the Refunded Bond  
3 Legislation immediately upon the deposit of such money with the Refunding Trustee.  
4 Accordingly, the City finds and determines that the issuance and sale of the 2011A Bonds  
5 allocable to the Refunding Plan is in the best interest of the City and in the public interest. In  
6 making such finding and determination, the City has given consideration to the interest rates, the  
7 maturities and scheduled redemptions of the 2011A Bonds and the Refunded Bonds, and the  
8 costs of issuance of the 2011A Bonds.

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

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

26 (a) To the Municipal Securities Rulemaking Board (the "MSRB"), annual financial  
27 information and operating data regarding the Light System of the type included in the Official  
28

1 Statement for the Bonds as generally described as follows: (i) annual financial statements of the  
2 Light System, prepared in accordance with generally accepted accounting principles applicable  
3 to governmental units (except as otherwise noted therein), as such principles may be changed  
4 from time to time and as permitted by Washington State law, which financial statements will not  
5 be audited, except that if and when audited financial statements are otherwise prepared and  
6 available to the City, they will be provided; (ii) a statement of authorized, issued and outstanding  
7 bonded debt secured by Gross Revenues of the Light System; (iii) debt service coverage ratios  
8 for the bonded debt secured by Gross Revenues of the Light System; (iv) sources of Light  
9 System power and MWh produced by those sources; and (v) general customer statistics,  
10 including the average number of customers, revenues and energy sales by customer class.

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

18 (b) Timely notice (not in excess of ten business days after the occurrence of the  
19 event) of the occurrence of any of the following events with respect to the Bonds:

- 20 1. principal and interest payment delinquencies;
- 21 2. non-payment related defaults, if material;
- 22 3. unscheduled draws on debt service reserves reflecting financial  
23 difficulties;
- 24 4. unscheduled draws on credit enhancements reflecting financial  
25 difficulties;
- 26 5. substitution of credit or liquidity providers, or their failure to perform;
- 27
- 28

1           6.       adverse tax opinions, the issuance by the Internal Revenue Service of  
2 proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB)  
3 or other material notices or determinations with respect to the tax status of the Bonds;

4           7.       modifications to rights of holders of the Bonds, if material;

5           8.       Bond calls (other than scheduled mandatory redemptions of Term Bonds),  
6 if material, and tender offers;

7           9.       defeasances;

8           10.      release, substitution, or sale of property securing repayment of the Bonds,  
9 if material;

10          11.      rating changes;

11          12.      bankruptcy, insolvency, receivership or similar event of the City  
12 (a “Bankruptcy Event”);

13          13.      the consummation of a merger, consolidation, or acquisition involving the  
14 City or the sale of all or substantially all of the assets of the City, other than in the ordinary  
15 course of business, the entry into a definitive agreement to undertake such an action or the  
16 termination of a definitive agreement relating to any such actions, other than pursuant to its  
17 terms, if material; and

18          14.      appointment of a successor or additional trustee or the change of name of  
19 a trustee, if material.

20           A Bankruptcy Event is considered to occur when any of the following occur: the  
21 appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the  
22 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or  
23 governmental authority has assumed jurisdiction over substantially all of the assets or business of  
24 the City, or if such jurisdiction has been assumed by leaving the existing governing body and  
25 officials or officers in possession but subject to the supervision and orders of a court or  
26 governmental authority, or the entry of an order confirming a plan of reorganization,  
27  
28

1 arrangement or liquidation by a court or governmental authority having supervision or  
2 jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

23 **Section 16. Termination of Undertaking.** The City's obligations under the  
24 Undertaking described in Section 15 of this resolution shall terminate upon the legal defeasance,  
25 prior redemption or payment in full of all of the then outstanding Bonds. In addition, the  
26 Undertaking, or any provision thereof, will be null and void if the City (i) obtains an opinion of  
27 nationally recognized bond counsel or other counsel familiar with federal securities laws to the  
28

1 effect that those portions of the Rule which require the City to comply with the Undertaking, or  
2 any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the  
3 Bonds; and (ii) notifies the MSRB of such termination.

4 **Section 17. General Authorization.** The Mayor and the Director of Finance and each  
5 of the other appropriate officers of the City are each authorized and directed to do everything as  
6 in their judgment may be necessary, appropriate or desirable in order to carry out the terms and  
7 provisions of, and complete the transactions contemplated by, the Bond Ordinance, the  
8 Refunding Bond Ordinance and this resolution.

9 **Section 18. Severability.** The provisions of this resolution are declared to be separate  
10 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all  
11 appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as  
12 to any person or circumstance, such offending provision shall, if feasible, be deemed to be  
13 modified to be within the limits of enforceability or validity. However, if the offending  
14 provision cannot be so modified, it shall be null and void with respect to the particular person or  
15 circumstance, and all other provisions of this resolution in all other respects, and the offending  
16 provision with respect to all other persons and all other circumstances, shall remain valid and  
17 enforceable.

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

20 **Section 20. Incorporation by Reference.** Each of Exhibit A, Exhibit B, Exhibit C-1,  
21 Exhibit C-2, Exhibit D, Exhibit E, Exhibit F and Exhibit G attached to this resolution is by this  
22 reference incorporated herein.



**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 Improvements and Refunding Revenue Bonds, 2001	March 15, 2001	\$503,700,000	\$101,345,000	2012 through 2022, inclusive, and 2026	March 10, 2011 at 100% of par

**EXHIBIT B**

**ALLOCATION OF 2011A BONDS**

<b>Maturity (February 1)</b>	<b>New Money Allocation</b>	<b>Refunding Allocation</b>	<b>Total</b>
08/01/2011	-	\$2,965,000	\$ 2,965,000
2012	\$ 4,420,000	6,350,000	10,770,000
2013	4,555,000	-	4,555,000
2014	4,785,000	7,200,000	11,985,000
2015	5,030,000	7,975,000	13,005,000
2016	5,290,000	7,960,000	13,250,000
2017	5,560,000	8,365,000	13,925,000
2018	5,845,000	5,570,000	11,415,000
2019	6,145,000	5,205,000	11,350,000
2020	6,460,000	5,470,000	11,930,000
2021	6,795,000	5,755,000	12,550,000
2022	7,140,000	6,045,000	13,185,000
2023	7,510,000	6,360,000	13,870,000
2024	7,895,000	6,685,000	14,580,000
2025	8,300,000	7,025,000	15,325,000
2026	8,725,000	7,385,000	16,110,000
2028	9,380,000	-	9,380,000
2029	9,900,000	-	9,990,000
2030	10,460,000	-	10,460,000
2031	11,035,000	-	11,035,000
2032	11,630,000	-	11,630,000
2033	12,255,000	-	12,255,000
2034	12,920,000	-	12,920,000
2035	13,615,000	-	13,615,000
2036	14,350,000	-	14,350,000



1 registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), payment of  
principal, premium, if any, and interest shall be made in accordance with the Letter of Representations.

2 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington, Municipal  
3 Light and Power Improvement and Refunding Revenue Bonds, 2011A (the “Bonds”), aggregating \$296,315,000 in  
4 principal amount, maturing annually in the years 2011 through 2026, inclusive, 2028 through 2033, inclusive, and  
5 2036, of like date, tenor and effect, except as to maturity dates, interest rates, options of redemption, denominations  
6 and numbers. The Bonds are issued by the City pursuant to Ordinance 121941, as amended by Ordinance 122838,  
7 Ordinance 123483 and Resolution 31263 of the City (collectively, the “Bond Legislation”) for the purpose of  
providing all or part of the funds to pay part of the cost to (i) finance certain capital improvements to and  
conservation programs for the Light System; (ii) refund certain of the City’s outstanding Municipal Light and Power  
Improvements and Refunding Revenue Bonds, 2001; (iii) make a deposit to the Reserve Fund; and (iv) pay the  
issuance costs of selling the Bonds, all as described in the Bond Legislation. The Bonds are issued in fully  
registered form in the denomination of \$5,000 or any integral multiple thereof within a single maturity.

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

10 The Gross Revenues of the Light System are pledged to make the required payments into the Parity Bond  
11 Fund and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues prior and superior to all  
12 other charges whatsoever, save and except reasonable charges for maintenance 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.

13 THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY  
14 FROM THE SOURCES IDENTIFIED HEREIN AND IN THE BOND LEGISLATION AND ARE NOT  
15 GENERAL OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON OR ANY OTHER POLITICAL  
16 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.

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

18 Reference is made to the Bond Legislation for other covenants and declarations of the City and other terms  
19 and conditions upon which this Bond has been issued, which terms and conditions, including, but not limited to,  
20 terms pertaining to defeasance, are made a part hereof by this reference. Reference also is made to the Bond  
21 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

22 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.

23 The principal of and premium, if any, and interest on this Bond shall be paid only to the Registered Owner  
24 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.

25 In the manner and subject to the limitations set forth in the Bond Legislation, this Bond may be transferred  
26 by the Registered Owner or by such Owner’s authorized agent at the Bond Registrar on completion of the  
assignment form appearing hereon and surrender and cancellation of this Bond. Upon such transfer, a new Bond (or  
27 Bonds, at the option of the new Registered Owner) of an equal aggregate principal amount and of the same interest  
rate and maturity in any authorized denomination will be issued to the new Registered Owner, without charge, in  
28 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 interest rate and maturity 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.

The City and the Bond Registrar may deem and treat the Registered Owner of this Bond as its absolute owner for the purpose of receiving payment of principal, premium, if any, and interest and for all 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.

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by the facsimile signatures of its Mayor and Director of Finance and a facsimile reproduction of the seal of the City to be printed hereon, this 8<sup>th</sup> day of February, 2011.

THE CITY OF SEATTLE, WASHINGTON

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Director of Finance

Date of Authentication: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A, described in the Bond Legislation.

WASHINGTON STATE FISCAL AGENT  
Bond Registrar

By \_\_\_\_\_  
Authorized Signer

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**

**2011B Bond Form**

**No. R-1**

**\$10,000,000**

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 REVENUE BOND, 2011B  
(TAXABLE NEW CLEAN RENEWABLE ENERGY BONDS – DIRECT PAYMENT)**

**Interest Rate:**  
\_\_\_\_\_ %

**Maturity Date:**  
February 1, 2027

**CUSIP NO.:**  
\_\_\_\_\_

**Registered Owner: CEDE & CO.**

**Principal Amount: TEN MILLION AND NO/100 DOLLARS**

THE CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of Washington, 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 August 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 shall be paid by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register or, when requested in writing to the Bond Registrar before the applicable Record Date by the Registered Owner of \$1,000,000 or more principal amount of the Bonds by wire transfer on the interest payment date. Notwithstanding the foregoing, as long as this Bond is

1 registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), payment of  
principal, premium, if any, and interest shall be made in accordance with the Letter of Representations.

2 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington, Municipal  
3 Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds – Direct  
4 Payment) (the "Bonds"), aggregating \$10,000,000 in principal amount, maturing in 2027. The Bonds are issued by  
5 the City pursuant to Ordinance 123483 and Resolution 31263 of the City (collectively, the "Bond Legislation") for  
6 the purpose of providing all or part of the funds to pay part of the cost to (i) finance certain capital improvements to  
and conservation programs for the Light System; and (ii) pay the issuance costs of selling the Bonds, all as described  
in the Bond Legislation. The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral  
multiple thereof within a single maturity.

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

9 The Gross Revenues of the Light System are pledged to make the required payments into the Parity Bond  
Fund and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues prior and superior to all  
10 other charges whatsoever, save and except reasonable charges for maintenance 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  
11 Outstanding Parity Bonds and any Future Parity Bonds.

12 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  
13 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  
14 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  
15 LEGISLATION.

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

17 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,  
18 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  
19 Legislation

20 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.

21 The principal of and premium, if any, and interest on this Bond shall be paid only to the Registered Owner  
22 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.

23 In the manner and subject to the limitations set forth in the Bond Legislation, this Bond may be transferred  
24 by the Registered Owner or by such Owner's authorized agent at the Bond Registrar on completion of the  
assignment form appearing hereon and surrender and cancellation of this Bond. Upon such transfer, a new Bond (or  
25 Bonds, at the option of the new Registered Owner) of an equal aggregate principal amount and of the same interest  
rate and maturity in any authorized denomination will be issued to the new Registered Owner, without charge, in  
26 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 interest rate and maturity in any authorized  
27 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.

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

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

8 IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by the  
9 facsimile signatures of its Mayor and Director of Finance and a facsimile reproduction of the seal of the City to be  
10 printed hereon, this 8<sup>th</sup> day of February, 2011.

11 THE CITY OF SEATTLE, WASHINGTON

12 By \_\_\_\_\_  
13 Mayor

14 By \_\_\_\_\_  
15 Director of Finance

16 Date of Authentication: \_\_\_\_\_

17 CERTIFICATE OF AUTHENTICATION

18 This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and Power  
19 Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds – Direct Payment), described  
20 in the Bond Legislation.

21 WASHINGTON STATE FISCAL AGENT  
22 Bond Registrar

23 By: \_\_\_\_\_  
24 Authorized Signer

25 ASSIGNMENT

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

27 \_\_\_\_\_  
28 (name, address and social security or other identifying number of assignee)

29 the within-mentioned Bond and irrevocably constitutes and appoints \_\_\_\_\_  
30 \_\_\_\_\_ to transfer the same on the Bond Register with full power of substitution in the  
31 premises.

32 DATED: \_\_\_\_\_

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

38 Signature Guaranteed:

39 \_\_\_\_\_  
40 (NOTE: Signature must be guaranteed  
41 pursuant to law.)

**EXHIBIT D**

**OFFICIAL NOTICE OF BOND SALE**

**THE CITY OF SEATTLE, WASHINGTON**

**\$297,755,000\***

**Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A**

**\$10,000,000**

**Municipal Light and Power Improvement Revenue Bonds, 2011B  
(Taxable New Clean Renewable Energy Bonds—Direct Payment)**

Separate electronic bids for the purchase of The City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A (the "2011A Bonds"), and The City of Seattle Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds—Direct Payment) (the "2011B Bonds"), will be received by The City of Seattle, Washington (the "City"), by the Director of Finance via the electronic bidding service, BiDCOMP Parity ("Parity"), in the manner described below on

JANUARY 12, 2011, AT

2011A BONDS: 7:30 A.M., PACIFIC TIME,

2011B BONDS: 8:00 A.M., PACIFIC TIME,

or such other day or time and under such other terms and conditions as may be established by the Director of Finance and communicated by the News Service as described under "Modification, Cancellation, Postponement."

The 2011A Bonds and the 2011B Bonds together are referred to in this Official Notice of Bond Sale as the "Bonds."

**Bids must be submitted electronically via Parity in accordance with this Official Notice of Sale. For further information about Parity, potential bidders may contact Parity at (212) 404-8102. Hard copy bids will not be accepted.**

No bid will be received after the time for receiving bids specified above. All proper bids received with respect to the Bonds are expected to be considered and acted on by the City Council at approximately 3:00 p.m., Pacific Time, on January 12, 2011. No bid will be awarded until the City Council has adopted a resolution accepting the bid at its meeting.

*Modification, Cancellation, Postponement.* Bidders are advised that the City may modify the terms of this Official Notice of Bond Sale prior to the time for receipt of bids, including to change the principal amount and principal payments of one or both series of the Bonds if the City elects not to refund all or any of the bonds expected to be refunded with the 2011A Bonds or because the City elects to change the principal amounts of the individual series or to change the redemption provisions. Any such modification will be announced through The Bond Buyer Wire (available on TM3, the Thomson Municipal Market Monitor, at <http://www.tm3.com>, which reference is not incorporated herein by reference) (the "News Service"), prior to 1:00 p.m., Pacific Time, on January 11, 2011. In addition, the City may cancel or postpone the date and time for the receipt of bids for the Bonds at any time prior to the opening of the bids. Notice of such cancellation or postponement will be communicated through the News Service as soon as practicable following such cancellation or postponement. As an accommodation to bidders, telephone, facsimile or electronic notice of any amendment or modification of this Official Notice of Bond Sale will be given to any bidder requesting such notice from the City's Financial Advisor at the address and phone number provided under "Contact Information" below.

\* Preliminary, subject to change.

1 Contact Information

2 Finance Division Michael van Dyck  
3 City of Seattle  
4 (206) 684-8347  
5 michael.vandyck@seattle.gov

6 Financial Advisor Rob Shelley  
7 Seattle-Northwest Securities Corporation  
8 Office phone: (206) 628-2879  
9 Day of sale phone: (206) 601-2249  
10 rshelley@snwsc.com

11 Bond Counsel Nancy Neraas  
12 Foster Pepper PLLC  
13 (206) 447-6277  
14 neran@foster.com

15 **DESCRIPTION OF THE BONDS**

16 **Bond Details**

17 The Bonds will be dated the date of their initial delivery. Interest on the Bonds will be payable semiannually on each February 1 and August 1, beginning August 1, 2011.

18 **Registration and Book-Entry Only System**

19 The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as initial securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof within a single series and maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the City's Bond Registrar, currently the fiscal agent of the State of Washington (currently The Bank of New York Mellon in New York, New York) to DTC, which is obligated in turn to remit such payments to its participants for subsequent disbursement to beneficial owners of the Bonds.

20 **Election of Maturities—2011A Bonds**

21 The successful bidder for the 2011A Bonds shall designate whether some or all of the principal amounts of the 2011A Bonds, as set forth below, shall be retired as shown in the table below as serial bonds maturing in each year or as amortization installments of 2011A Term Bonds maturing in the years specified by the bidder. 2011A Term Bonds, if any, must consist of the total principal payments of two or more consecutive years and mature in the latest of those years.

Years (February 1)	Serial Maturities or Amortization Installments <sup>(1)</sup>	Years (February 1)	Serial Maturities or Amortization Installments <sup>(1)</sup>
August 1, 2011	\$ 3,010,000	2024	\$ 14,480,000 <sup>(2)</sup>
2012	11,330,000	2025	15,225,000 <sup>(2)</sup>
2013	4,865,000	2026	16,005,000 <sup>(2)</sup>
2014	12,640,000		
2015	13,555,000	2028	9,365,000 <sup>(2)</sup>
2016	13,690,000	2029	9,845,000 <sup>(2)</sup>
2017	14,245,000	2030	10,350,000 <sup>(2)</sup>
2018	11,620,000	2031	10,895,000 <sup>(2)</sup>
2019	11,445,000	2032	11,480,000 <sup>(2)</sup>
2020	11,915,000	2033	12,100,000 <sup>(2)</sup>
2021	12,465,000	2034	12,750,000 <sup>(2)</sup>
2022	13,100,000 <sup>(2)</sup>	2035	13,440,000 <sup>(2)</sup>
2023	13,775,000 <sup>(2)</sup>	2036	14,165,000 <sup>(2)</sup>

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the 2011A Bonds unless 2011A Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of 2011A Term Bonds.

### Redemption

*Optional Redemption—2011A Bonds.* The 2011A Bonds maturing on or before February 1, 2021, are not subject to redemption prior to maturity. The City reserves the right and option to redeem the 2011A Bonds maturing on or after February 1, 2022, prior to their stated maturity dates at any time on or after February 1, 2021, as a whole or in part, at a price of par plus accrued interest to the date fixed for redemption.

*No Extraordinary Optional Redemption of 2011A Bonds.* The 2011A Bonds are not subject to extraordinary optional redemption.

*Optional Redemption with Make-Whole Premium—2011B Bonds.* The City reserves the right and option to redeem the 2011B Bonds prior to their stated maturity date, as a whole or in part, on any Business Day, at the Make-Whole Redemption Price determined by the Designated Investment Banker. See "Preliminary Official Statement—Description of the Bonds—Redemption of the Bonds."

*Extraordinary Optional Redemption—2011B Bonds.* The 2011B Bonds are subject to extraordinary optional 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 2011B Bonds to be redeemed, or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the 2011B 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 2011B 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 2011B Bonds to be redeemed to the redemption date. See "Preliminary Official Statement—Description of the Bonds—Redemption of the Bonds."

*Selection of Bonds for Redemption.* If fewer than all of a series of Bonds are to be redeemed prior to maturity, the selection of such Bonds for redemption shall be made as described in the Preliminary Official Statement in "Description of the Bonds—Redemption of Bonds."

### Purpose

The Bonds are being issued to (i) finance certain capital improvements to and conservation programs for the Light System (see "Capital Requirements"), (ii) refund certain of the City's outstanding Municipal Light and Power bonds, as described under "Refunding Plan" in the Preliminary Official Statement, (iii) make a deposit to the Reserve Fund, and (iv) pay the costs of issuance of the Bonds.

1 **Security**

2 The Bonds are special limited obligations of the City. The principal of and interest on the Bonds are payable out of  
3 the Seattle Municipal Light Revenue Parity Bond Fund (the "Parity Bond Fund"). The City has agreed to pay into  
4 the Parity Bond Fund on or prior to the respective dates on which principal of and interest on Parity Bonds will be  
5 payable certain amounts from the Gross Revenues of the Light System sufficient to pay such principal and interest  
6 as the same become due. The Gross Revenues of the Light System are pledged to make such payments, which  
7 pledge constitutes a lien and charge upon such revenues prior and superior to all other charges whatsoever except  
8 reasonable charges for maintenance and operation of the Light System. See "Security for the Bonds" in the  
9 Preliminary Official Statement.

6 THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF  
7 WASHINGTON (THE "STATE") OR ANY POLITICAL SUBDIVISION OF THE STATE, OR A CHARGE UPON  
8 ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, THE STATE OR  
9 ANY POLITICAL SUBDIVISION OF THE STATE NOT SPECIFICALLY PLEDGED THERETO BY THE BOND  
ORDINANCE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, NOR  
ANY REVENUES OF THE CITY DERIVED FROM SOURCES OTHER THAN THE LIGHT SYSTEM, ARE  
PLEDGED TO THE PAYMENT OF THE BONDS.

10 **BIDDING INFORMATION AND AWARD**

11 Bidders are invited to submit bids for the purchase of either or both series of the Bonds fixing the interest rate or  
12 rates that that series of Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 or 1/100 of 1%, or any  
combination thereof. No more than one rate of interest may be fixed for any one maturity of a series of the Bonds.

13 All bids shall be without condition. The City strongly encourages the inclusion of Women and Minority Business  
Enterprise firms in bidding syndicates.

14 *2011A Bonds.* No bid will be considered for the 2011A Bonds that is less than an amount equal to 100% of the par  
15 value of the 2011A Bonds nor more than an amount equal to 111% of the par value of the 2011A Bonds. Bidders  
16 must bid on the entire offering of the 2011A Bonds. Each individual maturity must be reoffered at a yield that will  
produce a price of not less than 98% of the principal amount for that maturity. For the purpose of the preceding  
sentence, "price" means the lesser of the price at the redemption date or the price at the maturity date.

17 *2011B Bonds.* No bid will be considered for the 2011B Bonds that is less than an amount equal to 99% of the par  
18 value of the 2011B Bonds nor more than an amount equal to 102.50% of the par value of the 2011B Bonds. No bid  
19 for less than the entire offering of the 2011B Bonds will be accepted. The Bonds must be reoffered at a yield that  
will produce a price of not more than a de minimis amount of premium, which is the par amount of the maturity plus  
0.25% multiplied by the number of complete years to the maturity date of the 2011B Bonds. For the 2011B Bonds,  
this maximum permitted price is calculated as 103.75%.

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

21 Bidders are advised that the City may modify the total principal amount of the 2011A Bonds and/or the amounts of  
22 individual maturities stated in this Official Notice of Bond Sale prior to the bidding. If such changes are made, they  
will be reflected on Parity.

23 **Bidding Process**

24 Electronic bids for each series of the Bonds must be submitted via a Qualified Electronic Bid Provider only. The  
25 City has designated Parity as the Qualified Electronic Bid Provider for purposes of receiving electronic bids for the  
Bonds. By designating a bidding service as a Qualified Electronic Bid Provider, the City does not endorse the use of  
such bidding service.

26 By submitting an electronic bid for either or both series of the Bonds, each bidder thereby agrees to the following  
27 terms and conditions:

- 1 (i) If any provision in this Official Notice of Bond Sale with respect to the Bonds conflicts with information or  
2 terms provided or required by Parity, this Official Notice of Bond Sale (including any amendments issued  
3 by the City through the News Service) shall control.
- 4 (ii) Each bidder shall be solely responsible for making necessary arrangements to access Parity for purposes of  
5 submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of  
6 Bond Sale (including any amendments issued by the City through the News Service).
- 7 (iii) The City shall not have any duty or obligation to provide or assure access to Parity to any bidder, and the  
8 City shall not be responsible for the proper operation of Parity, or have any liability for any delays,  
9 interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted  
10 by any bidder through Parity.
- 11 (iv) The City is permitting use of Parity as a communication mechanism, and not as the City's agent, to conduct  
12 the electronic bidding for the Bonds. Parity is acting as an independent contractor, and is not acting for or  
13 on behalf of the City.
- 14 (v) The City is not responsible for ensuring or verifying bidder compliance with Parity's procedures.
- 15 (vi) If the bidder's bid is accepted by the City, this Official Notice of Bond Sale (including any amendments  
16 issued by the City through the News Service) and the information that is submitted electronically through  
17 Parity shall form a contract, and the bidder shall be bound by the terms of such contract.
- 18 (vii) Information provided by Parity to bidders shall form no part of any bid or of any contract between the  
19 successful bidder and the City unless that information is included in this Official Notice of Bond Sale.

#### 20 **Good Faith Deposit**

21 In order to be considered by the City Council, all bids must be backed by a good faith deposit in the amount of  
22 \$3,000,000 with respect to the 2011A Bonds and \$100,000 with respect to the 2011B Bonds.

23 The good faith deposit for each series of the Bonds must be paid by federal funds wire transfer within 90 minutes  
24 after the verbal award to the successful bidder for such series. Wiring instructions will be provided to the successful  
25 bidder for such series at the time of the verbal award.

26 The good faith deposit of the successful bidder for each series of the Bonds shall be retained by the City as security  
27 for the performance of the successful bidder and shall be applied to the purchase price of such series of the Bonds  
28 upon the delivery of such series of the Bonds to the successful bidder. Pending delivery of the Bonds, each good  
faith deposit may be invested for the sole benefit of the City. If the Bonds of a series are ready for delivery and the  
successful bidder for such series fails or neglects to complete the purchase of such series of the Bonds within 30  
days following the acceptance of its bid, the applicable good faith deposit shall be retained by the City as reasonable  
liquidated damages and not as a penalty.

#### 29 **Award**

30 The Bonds of each series will be sold to the bidder making a bid conforming to the terms of the offering and which,  
31 on the basis of the City's determination of the lowest true interest cost, is the best bid. The true interest cost to the  
32 City will be the rate that, when used to discount to the date of the applicable series of the Bonds all future payments  
33 of principal and interest (using semiannual compounding and a 30/360 day basis), produces an amount equal to the  
34 bid amount, without regard to the interest accrued to the date of delivery of such series of the Bonds. The true  
35 interest cost calculations for any bids received on a series of Bonds will be performed by the City's Financial  
36 Advisor, and the City will base its determination of the best bid for a series of Bonds solely on such calculations. If  
37 there are two or more equal bids for a series of the Bonds and those bids are the best bids received, the Director of  
38 Finance will determine by lot which bid will be presented to the City Council. *For bids submitted for the 2011B  
Bonds, the true interest cost to the City will be determined after subtracting the applicable federal credit payments.  
See "The Bonds—Designation of the 2011B Bonds as New Clean Renewable Energy Bonds" in the Preliminary  
Official Statement.*

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

#### 4 **Adjustment of Principal Amounts and Bid Price After Bid Opening—2011A Bonds**

5 The City has reserved the right to increase or decrease the preliminary principal amount of the 2011A Bonds by an  
6 amount not to exceed 10% of the principal amount of the 2011A Bonds following the opening of the bids. The City  
7 also reserves the right to increase or decrease the preliminary principal amount of any maturity for the 2011A Bonds  
8 by an amount not to exceed the greater of \$700,000 or 15% of the preliminary principal amount of that maturity.

7 The price bid by the successful bidder for the 2011A Bonds will be adjusted by the City on a proportionate basis to  
8 reflect an increase or decrease in the principal amount and maturity schedule. In the event that the City elects to  
9 alter the bond size of the 2011A Bonds after the bid pursuant to this Official Notice of Sale, the underwriter's  
10 discount, expressed in dollars per thousand, will be held constant. The City will not be responsible in the event and  
11 to the extent that any adjustment affects (i) the net compensation to be realized by the successful bidder or (ii) the  
12 true interest cost of the winning bid or its ranking relative to other bids.

#### 11 **Issue Price Information**

11 Upon award of the Bonds, the successful bidder for each series of the Bonds shall advise the City and Bond Counsel  
12 of the initial reoffering prices to the public of each maturity of such series of the Bonds (the "Initial Reoffering  
13 Prices"), for the City's inclusion in the final Official Statement for the Bonds. Prior to delivery of the Bonds, each  
14 successful bidder shall furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond  
15 Counsel:

- 14 (i) confirming the Initial Reoffering Prices,
- 15 (ii) certifying that a *bona fide* offering of the applicable series of the Bonds has been made to the public  
16 (excluding bond houses, brokers and other intermediaries),
- 17 (iii) stating the first price at which a substantial amount (at least 10%) of each maturity of such series of the  
18 Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- 19 (iv) if the first price at which a substantial amount of any maturity of such series of the Bonds does not conform  
20 to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that  
21 resulted in that nonconformity, and
- 22 (v) stating which maturities, if any, are amortization installments of Term Bonds maturing in the years  
23 specified by the bidder.

21 The first price at which a substantial amount of any maturity of the 2011B Bonds is sold to the public, as described  
22 above, shall not exceed the principal amount of such maturity by more than 0.25% multiplied by the number of  
23 complete years to the maturity date of such maturity. See "Bidding Information and Award—2011B Bonds."

23 A draft form of such certificate will be available prior to the sale date from the City's Financial Advisor. See  
24 "Contact Information."

#### 24 **Insurance**

25 ***The use of insurance as part of a bid for the 2011B Bonds is prohibited.***

26 Bids for the 2011A Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement, or  
27 upon the City's acceptance of any of the terms of insurance or other credit enhancement. If the 2011A Bonds  
28 qualify for issuance of any policy of municipal bond insurance or commitment therefor, any purchase of such  
insurance or commitment therefor shall be at the sole option and expense of the bidder for the 2011A Bonds, and

1 any increased costs of issuance of the 2011A Bonds resulting by reason of such insurance, unless otherwise paid,  
2 shall be paid by such bidder, but shall not, in any event, be paid by the City. Any failure of the 2011A Bonds to be  
so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual  
obligations arising from the acceptance of its proposal for the purchase of the 2011A Bonds.

3 If the successful bidder purchases insurance for any of the 2011A Bonds, the City may require the successful bidder  
4 to furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel confirming  
that (i) the present value (calculated using the same yield as the yield on such insured 2011A Bonds) of the  
5 insurance premium is less than the present value (calculated using the same yield as the yield on such insured 2011A  
6 Bonds) of the interest cost savings represented by the comparative differences between interest amounts that would  
have been payable on the various maturities of such insured 2011A Bonds at interest rates on such insured 2011A  
Bonds issued with and without the insurance on such insured 2011A Bonds, and (ii) in the process of requesting  
competitive proposals to provide such insurance, such insurance provided the lowest cost.

### 7 DELIVERY

8 The City will deliver the Bonds (consisting of one certificate for each maturity of each series) to DTC in New York,  
9 New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of  
closing. Closing shall occur within 30 days after the sale date. Settlement shall be in immediately available federal  
10 funds in Seattle, Washington, on the date of delivery.

11 If, prior to the delivery of the 2011A Bonds, the interest receivable by the owners of the 2011A Bonds becomes  
12 includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as  
described in the Official Statement for the 2011A Bonds, the successful bidder for the 2011A Bonds, at its option,  
13 may be relieved of its obligation to purchase the 2011A Bonds and, in that case, the good faith deposit  
accompanying its bid will be returned without interest.

### 14 Legal Opinion

The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, will be provided to the  
15 purchaser of each series of the Bonds at the time of the delivery of the Bonds. A no-litigation certificate will be  
included in the closing papers for the Bonds.

### 16 CUSIP Numbers

17 It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to insert such  
18 numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the  
purchasers thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of  
Bond Sale.

19 *The purchaser of each series of the Bonds is responsible for obtaining CUSIP numbers for such series of the*  
20 *Bonds. The charge of the CUSIP Service Bureau shall be paid by the purchaser; however, all expenses for*  
*printing CUSIP-numbers on the Bonds shall be paid by the City.*

### 21 CONTINUING DISCLOSURE UNDERTAKING

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

### 25 OFFICIAL STATEMENT

#### 26 Preliminary Official Statement

27 The Preliminary Official Statement is in a form that the City expects to deem final for the purpose of paragraph  
28 (b)(1) of the Rule, but is subject to revision, amendment and completion in a final Official Statement, which the City  
will deliver, at the City's expense, to each purchaser through its designated representative not later than seven

1 business days after the City's acceptance of the purchaser's bid, in sufficient quantities to permit the successful bidder(s) to comply with the Rule.

2 By submitting the successful proposal for either or both series of the Bonds, the purchaser's designated senior representative agrees:

- 3 (i) to provide to the City's Debt Manager, in writing, within 24 hours after the acceptance of the bid, pricing and other related information, including Initial Reoffering Prices of the Bonds, necessary for completion of the final Official Statement (see "Issue Price Information");
- 4 (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the City;
- 5 (iii) to take any and all actions necessary to comply with applicable rules of the Securities and Exchange Commission and Municipal Securities Rulemaking Board governing the offering, sale and delivery of the Bonds to ultimate purchasers, including the delivery of a final Official Statement to each investor who purchases Bonds; and
- 6 (iv) to file the final Official Statement or cause it to be filed with the Municipal Securities Rulemaking Board within one business day following its receipt from the City.

7 The Preliminary Official Statement may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), telephone (212) 849-5024. In addition, the Preliminary Official Statement may be obtained upon request to the City's Debt Manager or to Seattle-Northwest Securities Corporation. See "Contact Information."

8 **Official Statement**

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

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

12 DATED at Seattle, Washington, this 3rd day of January, 2011.

13 /s/ Glen Lee

14 Director of Finance

**EXHIBIT E**

**PRINTED VERSIONS OF ALL ELECTRONIC BIDS**

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**Series A Bids            E-2 through E-9**

**Series B Bids            E-10 through E-17**

07:32:14 a.m. PST    [Upcoming Calendar](#)    [Overview](#)    [Compare](#)    [Summary](#)

**Bid Results**

**Seattle**  
**\$297,755,000 Municipal Light and Power Improvement**  
**and Refunding Revenue Bonds, 2011A**

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

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">Citigroup Global Markets Inc.</a>	4.530287
<input type="checkbox"/>	<a href="#">Barclays Capital, Inc.</a>	4.555454
<input type="checkbox"/>	<a href="#">J.P. Morgan Securities LLC</a>	4.562225
<input type="checkbox"/>	<a href="#">Banc of America Merrill Lynch</a>	4.567379
<input type="checkbox"/>	<a href="#">Wells Fargo Bank, National Association</a>	4.593545
<input type="checkbox"/>	<a href="#">Morgan Stanley &amp; Co Inc</a>	4.642609
<input type="checkbox"/>	<a href="#">Goldman, Sachs &amp; Co.</a>	4.654607

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

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PARITY Reoffering

Page 1 of 1

**Result**

**Citigroup Global Markets Inc.'s Reoffering Scale  
 Seattle**



**\$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
08/01/2011	3,010M	1.0000	0.3300	100.321	
02/01/2012	11,330M	1.0000	0.4200	100.566	
02/01/2013	4,865M	5.0000	0.9000	108.030	
02/01/2014	12,640M	5.0000	1.4500	110.318	
02/01/2015	13,555M	5.0000	1.7900	112.279	
02/01/2016	13,690M	5.0000	2.1300	113.493	
02/01/2017	14,245M	5.0000	2.4400	114.164	
02/01/2018	11,620M	5.0000	2.8500	113.522	
02/01/2019	11,445M	5.0000	3.2100	112.513	
02/01/2020	11,915M	5.0000	3.4900	111.554	
02/01/2021	12,465M	5.0000	3.7400	110.414	
02/01/2022	13,100M	5.0000	3.9800	108.333	02/01/2021
02/01/2023	13,775M	5.0000	4.2500	106.048	02/01/2021
02/01/2024	14,480M	5.0000	4.4100	104.721	02/01/2021
02/01/2025	15,225M	5.0000	4.5800	103.333	02/01/2021
02/01/2026	16,005M	5.0000	4.6300	102.929	02/01/2021
02/01/2028	9,365M	5.2500	4.7900	103.614	02/01/2021
02/01/2029	9,845M	5.5000	4.7900	105.579	02/01/2021
02/01/2030	10,350M	5.5000	4.8900	104.771	02/01/2021
02/01/2031	10,895M	5.2500	5.0800	101.316	02/01/2021
02/01/2032	11,480M	5.2500	5.1100	101.082	02/01/2021
02/01/2033	12,100M	5.2500	5.1400	100.849	02/01/2021
02/01/2034					
02/01/2035					
02/01/2036	40,355M	5.2500	5.3970	98.000	

**Accrued Interest: \$0.00**

**Gross Production: \$315,260,344.45**

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<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityR...> 1/12/2011

[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**Citigroup Global Markets Inc. - New York, NY's Bid  
 Seattle**  
**\$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**



For the aggregate principal amount of \$297,755,000.00, we will pay you \$314,069,324.45, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
08/01/2011	3,010M	1.0000
02/01/2012	11,330M	1.0000
02/01/2013	4,865M	5.0000
02/01/2014	12,640M	5.0000
02/01/2015	13,555M	5.0000
02/01/2016	13,690M	5.0000
02/01/2017	14,245M	5.0000
02/01/2018	11,620M	5.0000
02/01/2019	11,445M	5.0000
02/01/2020	11,915M	5.0000
02/01/2021	12,465M	5.0000
02/01/2022	13,100M	5.0000
02/01/2023	13,775M	5.0000
02/01/2024	14,480M	5.0000
02/01/2025	15,225M	5.0000
02/01/2026	16,005M	5.0000
02/01/2028	9,365M	5.2500
02/01/2029	9,845M	5.5000
02/01/2030	10,350M	5.5000
02/01/2031	10,895M	5.2500
02/01/2032	11,480M	5.2500
02/01/2033	12,100M	5.2500
02/01/2034		
02/01/2035		
02/01/2036	40,355M	5.2500

Total Interest Cost: \$198,330,063.09  
 Premium: \$16,314,324.45  
 Net Interest Cost: \$182,015,738.64  
 TIC: 4.530287  
 Time Last Bid Received On: 01/12/2011 7:29:59 PST

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

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

Upcoming Calendar Overview Result Excel

**Barclays Capital, Inc. - New York , NY's Bid  
 Seattle  
 \$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**



For the aggregate principal amount of \$297,755,000.00, we will pay you \$314,080,606.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
08/01/2011	3,010M	1.0000
02/01/2012	11,330M	1.0000
02/01/2013	4,865M	2.0000
02/01/2014	12,640M	4.0000
02/01/2015	13,555M	5.0000
02/01/2016	13,690M	5.0000
02/01/2017	14,245M	5.0000
02/01/2018	11,620M	5.0000
02/01/2019	11,445M	5.0000
02/01/2020	11,915M	5.0000
02/01/2021	12,465M	5.0000
02/01/2022	13,100M	5.2500
02/01/2023	13,775M	5.0000
02/01/2024	14,480M	5.0000
02/01/2025	15,225M	5.0000
02/01/2026	16,005M	5.2500
02/01/2028	9,365M	5.5000
02/01/2029	9,845M	5.5000
02/01/2030	10,350M	5.5000
02/01/2031	10,895M	5.5000
02/01/2032	11,480M	5.2500
02/01/2033		
02/01/2034		
02/01/2035		
02/01/2036	52,455M	5.2500

Total Interest Cost: \$199,565,059.10  
 Premium: \$16,325,606.00  
 Net Interest Cost: \$183,239,453.10  
 TIC: 4.555454  
 Time Last Bid Received On: 01/12/2011 7:29:38 PST

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

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**J.P. Morgan Securities LLC - New York, NY's Bid  
 Seattle**



**\$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**

For the aggregate principal amount of \$297,755,000.00, we will pay you \$314,209,731.06, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
08/01/2011	3,010M	1.0000
02/01/2012	11,330M	1.0000
02/01/2013	4,865M	5.0000
02/01/2014	12,640M	5.0000
02/01/2015	13,555M	5.0000
02/01/2016	13,690M	5.0000
02/01/2017	14,245M	5.0000
02/01/2018	11,620M	5.0000
02/01/2019	11,445M	5.0000
02/01/2020	11,915M	5.0000
02/01/2021	12,465M	5.0000
02/01/2022	13,100M	5.0000
02/01/2023	13,775M	5.0000
02/01/2024	14,480M	5.2500
02/01/2025	15,225M	5.2500
02/01/2026	16,005M	5.2500
02/01/2028	9,365M	5.0000
02/01/2029	9,845M	5.0000
02/01/2030	10,350M	5.5000
02/01/2031	10,895M	5.5000
02/01/2032	11,480M	5.5000
02/01/2033		
02/01/2034		
02/01/2035		
02/01/2036	52,455M	5.2500

Total Interest Cost: \$199,795,215.80  
 Premium: \$16,454,731.06  
 Net Interest Cost: \$183,340,484.74  
 TIC: 4.562225  
 Time Last Bid Received On: 01/12/2011 7:29:36 PST

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

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**Wells Fargo Bank, National Association - Charlotte , NC's Bid **  
**Seattle**  
**\$297,755,000 Municipal Light and Power Improvement**  
**and Refunding Revenue Bonds, 2011A**

For the aggregate principal amount of \$297,755,000.00, we will pay you \$312,526,815.87, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
08/01/2011	3,010M	1.0000
02/01/2012	11,330M	1.0000
02/01/2013	4,865M	4.0000
02/01/2014	12,640M	5.0000
02/01/2015	13,555M	5.0000
02/01/2016	13,690M	5.0000
02/01/2017	14,245M	5.0000
02/01/2018	11,620M	5.0000
02/01/2019	11,445M	5.0000
02/01/2020	11,915M	5.0000
02/01/2021	12,465M	5.0000
02/01/2022	13,100M	5.0000
02/01/2023	13,775M	5.0000
02/01/2024	14,480M	5.0000
02/01/2025	15,225M	5.2500
02/01/2026	16,005M	5.2500
02/01/2028	9,365M	5.2500
02/01/2029	9,845M	5.2500
02/01/2030	10,350M	5.2500
02/01/2031		
02/01/2032	22,375M	5.0000
02/01/2033	12,100M	5.5000
02/01/2034	12,750M	5.5000
02/01/2035		
02/01/2036	27,605M	5.2500

Total Interest Cost: \$198,682,639.83  
 Premium: \$14,771,815.87  
 Net Interest Cost: \$183,910,823.96  
 TIC: 4.593545  
 Time Last Bid Received On: 01/12/2011 7:29:59 PST

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

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

Upcoming Calendar | Overview | Result | Excel

**Morgan Stanley & Co Inc - New York , NY's Bid  
 Seattle**



**\$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**

For the aggregate principal amount of \$297,755,000.00, we will pay you \$314,324,825.26, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
08/01/2011	3,010M	1.0000
02/01/2012	11,330M	1.0000
02/01/2013	4,865M	5.0000
02/01/2014	12,640M	5.0000
02/01/2015	13,555M	5.0000
02/01/2016	13,690M	5.0000
02/01/2017	14,245M	5.0000
02/01/2018	11,620M	5.0000
02/01/2019	11,445M	5.0000
02/01/2020	11,915M	5.0000
02/01/2021	12,465M	5.0000
02/01/2022	13,100M	5.0000
02/01/2023	13,775M	5.5000
02/01/2024	14,480M	5.5000
02/01/2025	15,225M	5.5000
02/01/2026	16,005M	5.5000
02/01/2028	9,365M	5.5000
02/01/2029	9,845M	5.5000
02/01/2030	10,350M	5.5000
02/01/2031	10,895M	5.5000
02/01/2032	11,480M	5.1250
02/01/2033		
02/01/2034		
02/01/2035		
02/01/2036	52,455M	5.2500

Total Interest Cost: \$202,998,811.49  
 Premium: \$16,569,825.26  
 Net Interest Cost: \$186,428,986.23  
 TIC: 4.642609  
 Time Last Bid Received On: 01/12/2011 7:29:55 PST

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

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

PARITY Reoffering

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Result:

**Citigroup Global Markets Inc.'s Reoffering Scale  
 Seattle**



**\$297,755,000 Municipal Light and Power Improvement  
 and Refunding Revenue Bonds, 2011A**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
08/01/2011	3,010M	1.0000	0.3300	100.321	
02/01/2012	11,330M	1.0000	0.4200	100.566	
02/01/2013	4,865M	5.0000	0.9000	108.030	
02/01/2014	12,640M	5.0000	1.4500	110.318	
02/01/2015	13,555M	5.0000	1.7900	112.279	
02/01/2016	13,690M	5.0000	2.1300	113.493	
02/01/2017	14,245M	5.0000	2.4400	114.164	
02/01/2018	11,620M	5.0000	2.8500	113.522	
02/01/2019	11,445M	5.0000	3.2100	112.513	
02/01/2020	11,915M	5.0000	3.4900	111.554	
02/01/2021	12,465M	5.0000	3.7400	110.414	
02/01/2022	13,100M	5.0000	3.9800	108.333	02/01/2021
02/01/2023	13,775M	5.0000	4.2500	106.048	02/01/2021
02/01/2024	14,480M	5.0000	4.4100	104.721	02/01/2021
02/01/2025	15,225M	5.0000	4.5800	103.333	02/01/2021
02/01/2026	16,005M	5.0000	4.6300	102.929	02/01/2021
02/01/2028	9,365M	5.2500	4.7900	103.614	02/01/2021
02/01/2029	9,845M	5.5000	4.7900	105.579	02/01/2021
02/01/2030	10,350M	5.5000	4.8900	104.771	02/01/2021
02/01/2031	10,895M	5.2500	5.0800	101.316	02/01/2021
02/01/2032	11,480M	5.2500	5.1100	101.082	02/01/2021
02/01/2033	12,100M	5.2500	5.1400	100.849	02/01/2021
02/01/2034					
02/01/2035					
02/01/2036	40,355M	5.2500	5.3970	98.000	

**Accrued Interest: \$0.00**

**Gross Production: \$315,260,344.45**

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<https://www.newissuhome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityR...> 1/12/2011

08:01:10 a.m. PST    Upcoming Calendar    Overview    Compare    Summary

**Bid Results**

**Seattle**  
**\$10,000,000 Municipal Light and Power Improvement**  
**Revenue Bonds, Series 2011B (Taxable New**  
**Clean Renewable Energy Bonds-Direct Payment)**

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

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	5.797781
<input type="checkbox"/>	<a href="#">Sterne, Agee &amp; Leach, Inc</a>	5.823568
<input type="checkbox"/>	<a href="#">Morgan Keegan &amp; Co., Inc.</a>	5.830883
<input type="checkbox"/>	<a href="#">Stifel Nicolaus &amp; Company, Inc.</a>	6.184961
<input type="checkbox"/>	<a href="#">KeyBanc Capital Markets</a>	6.193799
<input type="checkbox"/>	<a href="#">Banc of America Merrill Lynch</a>	6.602423

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

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PARITY Bid Form

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[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**Robert W. Baird & Co., Inc. - Red Bank , NJ's Bid**  
**Seattle**



**\$10,000,000 Municipal Light and Power Improvement  
Revenue Bonds, Series 2011B (Taxable New  
Clean Renewable Energy Bonds-Direct Payment)**

For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,950,800.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	5.7500

Total Interest Cost: \$9,188,819.44  
Discount: \$49,200.00  
Net Interest Cost: \$9,238,019.44  
TIC: 5.797781  
Time Last Bid Received On:01/12/2011 7:49:55 PST

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

Bidder: Robert W. Baird & Co., Inc., Red Bank , NJ  
Contact: charles.massaro  
Title: director  
Telephone:732-576-4410  
Fax: 732-576-4420

Issuer Name: City of Seattle Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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<https://www.newissuhome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

EXHIBIT E - 12

PARITY Bid Form

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**Sterne, Agee & Leach, Inc - Birmingham , AL's Bid  
Seattle**



**\$10,000,000 Municipal Light and Power Improvement  
Revenue Bonds, Series 2011B (Taxable New  
Clean Renewable Energy Bonds-Direct Payment)**

For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,924,300.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	5.7500

Total Interest Cost: \$9,188,819.44  
Discount: \$75,700.00  
Net Interest Cost: \$9,264,519.44  
TIC: 5.823568  
Time Last Bid Received On: 01/12/2011 7:59:39 PST

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

Bidder: Sterne, Agee & Leach, Inc, Birmingham , AL  
Contact: Mary Ann Oliver  
Title: Sr VP  
Telephone: 205-949-3513  
Fax: 205-949-3604

Issuer Name: City of Seattle Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

1 PARITY Bid Form

Page 1 of 1

2 [Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

3 **Morgan Keegan & Co., Inc. - Memphis , TN's Bid**  
4 **Seattle**



5 **\$10,000,000 Municipal Light and Power Improvement**  
6 **Revenue Bonds, Series 2011B (Taxable New**  
7 **Clean Renewable Energy Bonds-Direct Payment)**

8 For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,916,800.00, plus accrued interest from  
9 the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	5.7500

10 Total Interest Cost: \$9,188,819.44  
11 Discount: \$83,200.00  
12 Net Interest Cost: \$9,272,019.44  
13 TIC: 5.830883  
14 Time Last Bid Received On:01/12/2011 7:55:48 PST

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

17 Bidder: Morgan Keegan & Co., Inc., Memphis , TN  
18 Contact: lisa donnelly  
19 Title: vp  
20 Telephone:901-579-4518  
21 Fax: 901-579-4465

22 Issuer Name: City of Seattle Company Name: \_\_\_\_\_

23 Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

24 Date: \_\_\_\_\_ Date: \_\_\_\_\_

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26 <https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parityBi...> 1/12/2011

27 EXHIBIT E - 14

[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**Stifel Nicolaus & Company, Inc. - Denver, CO's Bid  
Seattle**



**\$10,000,000 Municipal Light and Power Improvement  
Revenue Bonds, Series 2011B (Taxable New  
Clean Renewable Energy Bonds-Direct Payment)**

For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,965,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	6.1500

Total Interest Cost: \$9,828,041.67  
Discount: \$35,000.00  
Net Interest Cost: \$9,863,041.67  
TIC: 6.184961  
Time Last Bid Received On: 01/12/2011 7:49:46 PST

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

Bidder: Stifel Nicolaus & Company, Inc., Denver, CO  
Contact: Trisha Brase  
Title: Trader  
Telephone: 303-291-5205  
Fax:

Issuer Name: City of Seattle Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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**KeyBanc Capital Markets - Cleveland, OH's Bid  
Seattle**



**\$10,000,000 Municipal Light and Power Improvement  
Revenue Bonds, Series 2011B (Taxable New  
Clean Renewable Energy Bonds-Direct Payment)**

For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,931,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	6.1250

Total Interest Cost: \$9,788,090.28  
Discount: \$69,000.00  
Net Interest Cost: \$9,857,090.28  
TIC: 6.193799  
Time Last Bid Received On: 01/12/2011 7:59:26 PST

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

Bidder: KeyBanc Capital Markets, Cleveland, OH  
Contact: Bob Centa  
Title: Director  
Telephone: 216-689-0389  
Fax: 216-689-0987

Issuer Name: City of Seattle Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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[Upcoming Calendar](#) | [Overview](#) | [Result](#) | [Excel](#)

**Banc of America Merrill Lynch - New York , NY's Bid  
Seattle**



**\$10,000,000 Municipal Light and Power Improvement  
Revenue Bonds, Series 2011B (Taxable New  
Clean Renewable Energy Bonds-Direct Payment)**

For the aggregate principal amount of \$10,000,000.00, we will pay you \$9,900,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %
02/01/2027	10,000M	6.5000

Total Interest Cost: \$10,387,361.11  
Discount: \$100,000.00  
Net Interest Cost: \$10,487,361.11  
TIC: 6.602423  
Time Last Bid Received On: 01/12/2011 7:59:19 PST

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

Bidder: Banc of America Merrill Lynch, New York , NY  
Contact: David Andersen  
Title: Managing Director  
Telephone: 212-449-5081  
Fax: 212-449-3733

Issuer Name: City of Seattle Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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**EXHIBIT F**

**2011B Calculation Agency Agreement**

This Calculation Agency Agreement (the "Agreement") is entered into as of February 8, 2011, 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 123438 and Resolution 31263 of the Issuer (the "Bond Legislation").

**WITNESSETH:**

**WHEREAS**, the Issuer authorized the issuance of its Municipal Light and Power Improvement Revenue Bonds, 2010B (Taxable New Clean Renewable Energy 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 August 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;
- (iii) file each such Form 8038-CP with the Department of the Treasury at the Internal Revenue Service Center, Ogden, Utah 84201-0020 (unless notified by the Issuer or the 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
- (iv) direct that payment of the amounts due from the Department of the Treasury be remitted 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.

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

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

14           **Section 6. Concerning the Calculation Agent.** The Calculation Agent shall have only those duties as are  
15 specifically provided herein, which shall be deemed purely ministerial in nature, and shall have the right to perform  
16 any of its duties hereunder through agents, attorneys, custodians or nominees. The Calculation Agent shall neither  
17 be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument  
18 or document in connection herewith, including without limitation the Bond Legislation. The Calculation Agent shall  
19 not be answerable for other than its negligence or willful misconduct. The Calculation Agent shall have no  
20 responsibility for the payment of debt service with respect to the Bonds. The Calculation Agent shall be protected in  
21 acting upon any paper or document believed by it to be genuine and to have been signed by the proper person or  
22 persons and shall not be held to have notice of any change of authority of any person, until receipt of written notice  
23 thereof from the Issuer. The Calculation Agent shall not be under any obligation to prosecute any action or suit in  
24 respect of the agency relationship which, in its sole judgment, may involve it in expense or liability. In any action or  
25 suit the Issuer shall, as often as requested, reimburse the Calculation Agent for any expense or liability growing out  
26 of such action or suit by or against the Calculation Agent in its agency capacity; provided, however, that no such  
27 reimbursement shall be made for any expense or liability arising as a result of Calculation Agent's gross negligence  
28 or willful misconduct. For purposes of this Agreement, the Calculation Agent's failure to timely file a  
Form 8038-CP with the Department of the Treasury as described in Section 3 shall be deemed "gross negligence"  
unless such failure to file is due to an act or omission of the Issuer or is due to an event described in the following  
paragraph.

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

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

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

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

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

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

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

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

**Section 9. Resignation or Removal of Calculation Agent.** Any time, other than on a day during the 60  
day period preceding any periodic payment date for the Bonds, the Calculation Agent may resign by giving at least  
45 days' prior written notice to the Issuer; and the Calculation Agent's agency shall be terminated and its duties  
shall cease upon expiration of such 45 days or such lesser period of time as shall be mutually agreeable to the  
Calculation Agent and the Issuer. At any time, following at least 60 days' prior written notice (or such lesser period  
of time as shall be mutually agreeable to the Calculation Agent and the Issuer) the Calculation Agent may be

1 removed from its agency by the Issuer. Such removal shall become effective upon the expiration of the 60 day or  
2 agreed lesser time period, and upon payment to the Calculation Agent of all amounts payable to it in connection  
3 with its agency. In such event, the Calculation Agent shall deliver to the Issuer copies of pertinent records then in  
4 the Calculation Agent's possession which are reasonably requested by the Issuer.

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

9 **Section 11. Jury Trial Waiver.** Each party hereto hereby agrees not to elect a trial by jury of any issue  
10 triable of right by jury, and waives any right to trial by jury fully to the extent that such right shall now or hereafter  
11 exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This  
12 waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass  
13 individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

14 **Section 12. Conflict with Bond Legislation.** In the event of a conflict between the provisions of this  
15 Agreement and those of the Bond Legislation, the terms of the Bond Legislation shall govern.

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

19 **Section 14. Execution in Counterparts.** This Agreement may be executed in counterparts, each such  
20 counterpart shall for all purposes be deemed to be an original, and all of such counterparts, or as many of them as  
21 the Issuer and the Calculation Agent shall preserve undestroyed, shall together constitute but one and the same  
22 instrument.

23 **IN WITNESS WHEREOF,** the parties hereto have caused these presents to be signed by their duly  
24 authorized officers as of the date first above written.

THE CITY OF SEATTLE, WASHINGTON

Name: Glen M. Lee  
Title: Director of Finance

THE BANK OF NEW YORK MELLON,  
as Calculation Agent

Name:  
Title:

**EXHIBIT G**

**Form of Refunding Trust Agreement**

THIS AGREEMENT is made and entered into as of the 8<sup>th</sup> day of February, 2011, by and between THE CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation, and U.S. BANK NATIONAL ASSOCIATION of Seattle, Washington (the "Refunding Trustee").

WHEREAS, the City now has outstanding \$101,345,000 par value of its Municipal Light and Power Improvements and Refunding Revenue Bonds, 2001, maturing on March 1 of each of the years 2012 through 2022, inclusive, and 2026, and bearing interest at various rates ranging from 5.00% to 5.50% (the "Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 121941, as amended by Ordinance 122838, Ordinance 123483 and Resolution 31263 (together, the "Bond Legislation"), the City has determined that the Refunded Bonds be refunded out of the proceeds of the sale of its Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A (the "Bonds"), for the purpose of realizing a debt service savings for the City; and

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

- (i) The delivery by the City to the Refunding Trustee of the proceeds of the Bonds allocated to the Refunding Plan;
- (ii) The purchase by the Refunding Trustee of the noncallable direct obligations of the United States of America listed on Exhibit A attached hereto and made a part hereof by this reference or substituted obligations purchased pursuant to Section 2 of this Agreement (the "Acquired Obligations") at or prior to the date the Bonds are delivered to the original purchaser thereof and the City receives full payment therefor (the "Date of Closing"), which Acquired Obligations satisfy the requirements of the Verification described in paragraph (c);
- (iii) The delivery to the City and the Refunding Trustee of a verification (the "Verification") by a nationally recognized independent certified public accounting firm verifying the mathematical accuracy of the computations (which computations shall be attached to that report) showing that the Acquired Obligations to be purchased by the Refunding Trustee pursuant to the Bond Legislation and this Refunding Trust Agreement, together with the specified beginning cash balance, if any, and the maturing principal of and interest on such Acquired Obligations, will provide sufficient money (assuming that all principal of and interest on the Acquired Obligations are paid on the due dates thereof and assuming no reinvestment of such maturing principal and interest) to pay interest on the Refunded Bonds when due up to and including March 10, 2011, and on March 10, 2011, call, pay, and redeem all of the outstanding Refunded Bonds at a price of par; and
- (iv) The receipt by the Refunding Trustee of the maturing installments of principal of and interest on the Acquired Obligations;
- (v) The Refunding Trustee's payment to the fiscal agent of the State of Washington of money sufficient to make the payments on the Refunded Bonds set forth herein;

and

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

1 Ordinance 120274 and Resolution 30298 that authorized the issuance of the Refunded Bonds (the "Refunded Bond  
Legislation"); and

2 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 ratepayers; and

3 WHEREAS, the City Council of the City, pursuant to the Bond Legislation, has duly and validly authorized  
4 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  
5 Refunding Plan;

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

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

9 Section 2. Investment and Expenditure of Money. On the Date of Closing, the Refunding Trustee shall  
10 apply \$104,164,947.00 to pay on behalf of the City the purchase and/or subscription prices of the Acquired  
Obligations, from the sources, in the principal amounts, with the dates of maturity and bearing the interest rates or  
11 yields set forth in Exhibit A, and \$1.81 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.

12 Section 3. Sufficiency of Acquired Obligations. Based upon the Verification, the City represents that the  
13 Acquired Obligations and the maturing principal thereof and the interest thereon, if paid when due, together with the  
beginning cash balance, shall be sufficient to make when due the payments required by the Refunding Plan. Such  
14 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  
15 Bonds that will fulfill the foregoing requirements are set forth in the Verification.

16 Section 4. Collection of Proceeds of Acquired Obligations and Application of Such Proceeds and Money.  
The Refunding Trustee shall present for payment and shall collect and receive on the due dates thereof the maturing  
17 installments of the principal of and the interest on the Acquired Obligations and any Substitute Obligations (defined  
hereinafter). The Refunding Trustee shall make payments, but only in the amounts received pursuant to this section,  
18 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  
19 other method of transfer of funds as shall be agreed upon by the Refunding Trustee and the Fiscal Agent.

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

23 Section 6. All Obligations and Money and Proceeds Thereof Held in Trust. The Refunding Trustee  
24 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  
25 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  
26 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  
27 deposited with the Refunding Trustee pursuant to this Refunding Trust Agreement, for the purpose of making such

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

2 Section 7. Reports. The Refunding Trustee shall submit a report to the City, at least semiannually, which  
3 report shall set forth the cash, Acquired Obligations, and any Substitute Obligations held hereunder by the  
4 Refunding Trustee, the obligations which have matured and amounts received by the Refunding Trustee by reason  
5 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.

6 Section 8. Substitution of Different Obligations or Other Investments. The City reserves the right to  
7 substitute from time to time for Acquired Obligations initially purchased in accordance with Section 2 hereof, or for  
8 obligations purchased under this section, other noncallable, nonprepayable direct obligations of the United States of  
9 America and/or obligations unconditionally guaranteed by the United 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:

10 (a) A verification by a nationally recognized independent certified public accounting firm  
11 acceptable to the Refunding Trustee confirming that the maturing principal of and interest on the  
12 Substitute Obligations and any remaining Acquired 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

13 (b) An opinion from Foster Pepper PLLC, bond counsel to the City, its successor or other  
14 nationally recognized bond counsel to the City, that the disposition and substitution or purchase of  
15 such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds,  
16 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.

17 If the verification delivered to the Refunding Trustee pursuant to Section 8(a) shows that surplus money not  
18 needed to make the payments described in Section 3 will result from the sale, transfer, or other disposition of  
19 Acquired Obligations and the substitution of Substitute Obligations therefor, that surplus 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).

20 Section 9. Reinvestment of Proceeds of Acquired and/or Substitute Obligations. The proceeds (principal  
21 and interest) and reinvestment proceeds of any Acquired Obligations and/or Substitute Obligations held by the  
22 Refunding Trustee in accordance with this Refunding Trust Agreement, which are not needed within five business  
days of the receipt thereof to make the payments described in Section 3, 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:

23 (a) Except as provided in subsection (c) below, the proceeds of such Acquired Obligations  
24 and/or Substitute Obligations shall be reinvested in Substitute Obligations at a yield that will not  
25 cause the composite yield on the refunding escrow to exceed 4.4304% during its term or such  
26 higher yield as may be directed by letter of instructions from the City to the Refunding Trustee,  
27 but if the composite yield on the directed investments made pursuant to this Refunding Trust  
Agreement would exceed 4.4304%, such letter of instructions shall contain a verification of such  
28 composite yield and shall be based upon and accompanied by the opinion of Foster Pepper PLLC,  
bond counsel to the City, its successor, or other nationally recognized bond counsel to the City,  
approving reinvestment of such proceeds at such higher yield;

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

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

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

10 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.

11 Section 10. Amendments to Refunding Trust Agreement. The Refunding Trustee and the City recognize  
12 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.  
13 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  
14 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  
15 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  
16 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  
17 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  
18 independent certified public accounting firm satisfactory to the Refunding Trustee to the effect that after such  
amendment the Acquired Obligations, Substitute Obligations, and other money in the escrow account will be  
19 sufficient to make the payments described in Section 3. A copy of such verification shall be delivered to the  
Refunding Trustee.

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

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

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

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

6 Section 13. Compensation of Refunding Trustee. The payment arrangement heretofore made between the  
7 Refunding Trustee and the City (attached hereto as Exhibit C 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  
8 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  
9 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  
10 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.  
11 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  
12 make the payments described in Section 3.

13 Section 14. Successor Refunding Trustee. The obligations assumed by the Refunding Trustee pursuant to  
14 this Refunding Trust Agreement may be transferred by the Refunding Trustee to a successor if (a) the Refunding  
Trustee has presented evidence satisfactory to the City and to Foster Pepper PLLC, its successor or other nationally  
15 recognized bond counsel to the City that the successor trustee meets the requirements of RCW 39.53.070, as now in  
effect or hereafter amended; (b) the City approves the appointment of the successor trustee; (c) the successor trustee  
16 has assumed all of the obligations of the Refunding Trustee under this Refunding Trust Agreement and has been  
compensated; and (d) all of the Acquired Obligations, reinvestments, Substitute Obligations, and money then held  
17 by the Refunding Trustee pursuant to this Refunding Trust Agreement have been duly transferred to such successor  
trustee.

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

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

25 Section 16. Notice to Rating Agencies. The Refunding Trustee shall notify all national rating agencies  
26 maintaining (at the request of the City) a rating on the Refunded Bonds or the Bonds, in writing upon timely receipt  
of notice or evidence of either of the following circumstances:  
27

1 Prior to their taking effect, any amendments to this Refunding Trust Agreement under Section 10,  
enclosing the proposed amendatory documents; and

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

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

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

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

7  
8 THE CITY OF SEATTLE, WASHINGTON

U.S. BANK NATIONAL ASSOCIATION, as  
Refunding Trustee

9  
10 By \_\_\_\_\_

By \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

THE CITY OF SEATTLE, WASHINGTON  
MUNICIPAL LIGHT AND POWER IMPROVEMENT AND  
REFUNDING REVENUE BONDS, 2011A

ACQUIRED OBLIGATIONS

<u>TYPE*</u>	<u>MATURITY DATE</u>	<u>PAR AMOUNT</u>	<u>INTEREST RATE</u>
CERT	3/01/2011	\$ 2,696,784	-
CERT	3/10/2011	101,468,163	0.14%

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

**EXHIBIT B**

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

NOTICE IS HEREBY GIVEN that The City of Seattle, Washington (the "City"), has called for redemption on March 10, 2011 all of its then-outstanding Municipal Light and Power Improvement and Refunding Revenue Bonds, 2001 (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 March 10, 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, 9 <sup>th</sup> Floor Dallas, TX 75201		Any branch of Wells Fargo Bank, National Association in the State of Washington

Interest on all Refunded Bonds or portions thereof which are redeemed shall cease to accrue on March 10, 2011.

The following Bonds are being redeemed:

Maturity Date ( <u>March 1</u> )	Par Amount <u>Defeased</u>	Interest <u>Rate</u>	Call Date ( <u>at 100%</u> )	CUSIP <u>Nos.</u>
2012	\$5,785,000	5.500%	03/10/2011	812643ET7
2013	6,770,000	5.500	03/10/2011	812643EU4
2014	7,150,000	5.500	03/10/2011	812643EV2
2015	7,960,000	5.500	03/10/2011	812643EW0
2016	7,985,000	5.500	03/10/2011	812643EX8
2017	8,435,000	5.500	03/10/2011	812643EY6
2018	5,680,000	5.500	03/10/2011	812643EZ3
2019	5,350,000	5.500	03/10/2011	812643FA7
2020	5,635,000	5.000	03/10/2011	812643FB5
2021	5,930,000	5.125	03/10/2011	812643FC3
2022	6,240,000	5.125	03/10/2011	812643FD1
***	***	***	***	***
2026	28,425,000	5.125	03/10/2011	812643FE9

NOTICE IS FURTHER GIVEN to the owners of the Refunded Bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of February 8, 2011, 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 19 of

\* 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.

1 Ordinance 120274 of the City relating to the Refunded Bonds, but will be paid by application of the assets in such  
2 escrow account.

3 **By Order of The City of Seattle, Washington**

4 **The Bank of New York Mellon, as Paying Agent**

5 Dated: \_\_\_\_\_

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

**U.S. BANK NATIONAL ASSOCIATION FEE SCHEDULE**

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STATE OF WASHINGTON – KING COUNTY

--SS.

266587

No.

CITY OF SEATTLE, CLERKS OFFICE

**Affidavit of Publication**

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

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

CT:31263 RESOLUTION

was published on

01/31/11

The amount of the fee charged for the foregoing publication is the sum of \$ 40.95, which amount has been paid in full.



*[Signature]*  
Subscribed and sworn to before me on  
01/31/11  
*[Signature]*  
Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication

## State of Washington, King County

### City of Seattle

#### TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For further information, contact the Seattle City Clerk at 684-8344.

#### RESOLUTION NO. 31263

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2011A and The City of Seattle, Washington, Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy 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.

Publication ordered by the City Clerk  
Date of publication in the Seattle Daily  
Journal of Commerce, January 31, 2011.  
1/31(266587)