

**EXHIBIT C**  
**NOTICE OF BOND SALE**

**OFFICIAL NOTICE OF BOND SALE**

**THE CITY OF SEATTLE, WASHINGTON**

**\$258,665,000<sup>(1)</sup>**

**MUNICIPAL LIGHT AND POWER IMPROVEMENT AND REFUNDING REVENUE BONDS, 2014**

Electronic bids for the purchase of The City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds, 2014 (the “Bonds”), will be received by the Director of Finance via the BiDCOMP/Parity Electronic Bid Submission System (“Parity”), in the manner described below, on

**OCTOBER 22, AT 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 provided to Parity and i-Deal Prospectus as described under “Modification, Cancellation, Postponement.”

**Bids must be submitted electronically via Parity in accordance with this Official Notice of Bond Sale. For further information about Parity, potential bidders may contact Parity at (212) 849-5021. Hard copy or faxed bids will not be accepted.**

No bid will be received after the cut-off time for receiving bids specified above. All proper bids received with respect to the Bonds will be considered and acted on by the City Council at approximately 1:30 p.m., Pacific Time, on October 22, 2014. No bid will be awarded until the City Council has adopted a resolution accepting the bid at its meeting.

Bidders are referred to the Preliminary Official Statement for additional information regarding the City, the Seattle City Light Department (the “Department”), the Bonds, the security for the Bonds, and other matters.

**Modification, Cancellation, Postponement**

The City may modify the terms of this Official Notice of Bond Sale prior to the cut-off time for receiving bids, if the City elects to change the principal amounts or the redemption or other provisions or increase or decrease the total principal amount or the amounts of individual maturities of Bonds. Any such modification will be provided to Parity and i-Deal Prospectus on or before October 21, 2014. In addition, the City may cancel or postpone the date and time for receiving bids for the Bonds at any time prior to the cut-off time for receiving bids. Notice of such cancellation or postponement will be provided to Parity and i-Deal Prospectus as soon as practicable following such cancellation or postponement. As an accommodation to bidders, telephone, facsimile, or electronic notice of any such modification, cancellation, or postponement 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. Failure of any bidder to receive such notice will not affect the legality of the sale.

Each bidder (and not the City) is responsible for the timely electronic delivery of its bid. The official time will be determined by the City and not by any bidder or Parity.

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(1) Preliminary, subject to change.

**CONTACT INFORMATION**

Finance Division	Michael van Dyck City of Seattle (206) 684-8347 <i>michael.vandyck@seattle.gov</i>
Financial Advisor	Rob Shelley Piper Jaffray & Co./Seattle-Northwest Division Office phone: (206) 628-2879 Day of sale phone: (206) 601-2249 <i>robert.e.shelley@pjc.com</i>
Bond Counsel	Nancy Neraas Foster Pepper PLLC (206) 447-6277 <i>neran@foster.com</i>

**DESCRIPTION OF THE BONDS**

**Bond Details**

The Bonds will be dated the date of their initial delivery. Interest on the Bonds will be payable semiannually on each March 1 and September 1, beginning March 1, 2015.

**Registration and Book-Entry Transfer System**

The Bonds will be issued initially as fully registered bonds and registered in the name of Cede & Co. as nominee for DTC. The Bonds will be held fully immobilized in book-entry form by DTC, which will act as the initial Securities Depository for the Bonds. Individual purchases and sales of the Bonds will be made in book-entry form only in denominations of \$5,000 or integral multiples thereof within a maturity of the Bonds (“Authorized Denominations”). Purchasers (“Beneficial Owners”) will not receive certificates representing their interest in the Bonds. So long as the Bonds are held in book-entry form, the Securities Depository will be deemed to be the Registered Owner of the Bonds and all references herein to the Registered Owners will mean Cede & Co., as nominee of DTC, or its successor and will not mean the Beneficial Owners of the Bonds.

**Election of Maturities**

The successful bidder for the Bonds shall designate whether some or all of the principal amounts of the Bonds maturing on and after September 1, 2025, as set forth below, shall be retired as shown in the table below as serial bonds maturing in such year or as amortization installments of Term Bonds maturing in the years specified by the bidder. 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.

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	Serial Maturities or Amortization ( <sup>1</sup> )		Serial Maturities or Amortization ( <sup>1</sup> )
Years (September 1)	Installments	Years (September 1)	Installments
2015	\$15,925,000	2030	\$4,565,000 <sup>(2)</sup>
2016	10,775,000	2031	4,795,000 <sup>(2)</sup>
2017	7,420,000	2032	5,035,000 <sup>(2)</sup>
2018	15,745,000	2033	5,285,000 <sup>(2)</sup>
2019	17,935,000	2034	5,550,000 <sup>(2)</sup>
2020	13,080,000	2035	5,825,000 <sup>(2)</sup>
2021	17,985,000	2036	6,120,000 <sup>(2)</sup>
2022	14,590,000	2037	6,425,000 <sup>(2)</sup>
2023	14,260,000	2038	6,745,000 <sup>(2)</sup>
2024	12,675,000	2039	7,080,000 <sup>(2)</sup>
2025	3,575,000 <sup>(2)</sup>	2040	7,435,000 <sup>(2)</sup>
2026	3,755,000 <sup>(2)</sup>	2041	7,805,000 <sup>(2)</sup>
2027	3,945,000 <sup>(2)</sup>	2042	8,200,000 <sup>(2)</sup>
2028	4,140,000 <sup>(2)</sup>	2043	8,610,000 <sup>(2)</sup>
2029	4,345,000 <sup>(2)</sup>	2044	9,040,000 <sup>(2)</sup>

- (1) Preliminary, subject to change. See “Adjustment of Principal Amounts and Bid Price After Bidding” below for a description of the City’s right to adjust the principal amounts after the bids are received.
- (2) These amounts will constitute principal maturities of the Bonds unless Term Bonds are specified by the successful bidder, in which case the amounts so specified will constitute mandatory sinking fund redemptions of Term Bonds.

**Redemption**

*Optional Redemption.* The Bonds maturing on and before September 1, 2024, are not subject to redemption prior to maturity. The City reserves the right and option to redeem the Bonds maturing on or after September 1, 2025, prior to their stated maturity dates at any time on and after September 1, 2024, as a whole or in part (within one or more maturities to be selected by the City and randomly within a maturity in such manner as the Bond Registrar may determine), at a price of par plus accrued interest to the date fixed for redemption. See “Description of the Bonds—Redemption of Bonds—Optional Redemption” in the Preliminary Official Statement.

*Mandatory Redemption.* As indicated on the schedule above, Bonds that are designated by the successful bidder as Term Bonds will be subject to mandatory sinking fund redemption. See “Description of the Bonds—Redemption of Bonds—Mandatory Redemption” in the Preliminary Official Statement

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

**Purpose**

The Bonds are being issued to finance certain capital improvements to and conservation programs for the City’s municipal light and power plant and system (the “Light System”), to refund, depending on market conditions, certain of the City’s outstanding Municipal Light and Power bonds, to make a deposit to the Reserve Fund, and to pay the costs of issuing the Bonds and administering the Refunding Plan. See “Use of Proceeds” in the Preliminary Official Statement.

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**Security**

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

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE, OR A CHARGE UPON ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE NOT SPECIFICALLY PLEDGED THERETO BY THE LEGISLATION AUTHORIZING THE ISSUANCE OF THE BONDS. 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.

**BIDDING INFORMATION AND AWARD**

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that the Bonds will bear. Interest rates included as part of a bid shall be in multiples of 1/8 or 1/20 of 1%, or any combination thereof. No more than one rate of interest may be fixed for any one maturity of the Bonds. For the Bonds maturing on and after September 1, 2025, no interest rate less than 4.00% may be used.

No bid will be considered for the Bonds that is less than an amount equal to 108% of the par value of the Bonds nor more than an amount equal to 118% of the par value of the 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 this section, “price” means the lesser of the price at the redemption date, if any, or the price at the maturity date.

Bids for the Bonds must be unconditional. No bid for less than the entire offering of the Bonds will be accepted. Bids may not be withdrawn or revised after the cut-off time for receiving bids. The City strongly encourages the inclusion of women and minority business enterprise firms in bidding syndicates.

**Bidding Process**

Bids for the Bonds must be submitted via Parity.

By submitting an electronic bid for the Bonds, each bidder thereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or required by Parity, this Official Notice of Bond Sale (including any modifications provided by the City to Parity and i-Deal Prospectus) shall control.
- (ii) Each bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting a timely bid in compliance with the requirements of this Official Notice of Bond Sale (including any modifications provided by the City to Parity and i-Deal Prospectus).
- (iii) The City has no duty or obligation to provide or assure access to Parity, and the City shall not be responsible for the proper operation of Parity, or have any liability for any delays or interruptions or any damages caused by use or attempted use of Parity.
- (iv) Parity is acting as an independent contractor, and is not acting for or on behalf of the City.
- (v) The City is not responsible for ensuring or verifying bidder compliance with Parity’s procedures.

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3 (vi) If the bidder's bid is accepted by the City, this Official Notice of Bond Sale (including any modifications  
4 provided by the City to Parity and i-Deal Prospectus) and the information that is submitted electronically  
5 through Parity shall form a contract, and the bidder shall be bound by the terms of such contract.  
6 (vii) Information provided by Parity to bidders shall form no part of any bid or of any contract between the  
7 successful bidder and the City unless that information is included in this Official Notice of Bond Sale  
8 (including any modifications provided by the City to Parity and i-Deal Prospectus).

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11 **Good Faith Deposit**

12 To be considered by the City Council, a bid must be backed by a good faith deposit in the amount of \$2,600,000.  
13 The good faith deposit must be paid by federal funds wire transfer within 90 minutes after notice from the City to  
14 the successful bidder for the Bonds. Wiring instructions will be provided to the successful bidder at the time of the  
15 notice from the City.

16 The good faith deposit for the Bonds shall be retained by the City as security for the performance of the successful  
17 bidder and shall be applied to the purchase price of the Bonds upon the delivery of the Bonds to the successful  
18 bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the City. If the  
19 Bonds are ready for delivery and the successful bidder fails or neglects to complete the purchase of the Bonds within  
20 30 days following the acceptance of its bid, the good faith deposit shall be retained by the City as reasonable  
21 liquidated damages and not as a penalty.

22 **Award**

23 The Bonds will be sold to the bidder making a bid that conforms to the terms of the offering and is, based on the  
24 City's determination of the lowest true interest cost, the best bid. The true interest cost will be the rate that, when  
25 used to discount to the date of the Bonds all future payments of principal and interest (using semiannual  
26 compounding and a 30/360 day basis), produces an amount equal to the bid amount, without regard to the interest  
27 accrued to the date of the Bonds. The true interest cost calculations for the Bonds will be performed by the City's  
28 Financial Advisor, and the City will base its determination of the best bid for the Bonds solely on such calculations.  
If there are two or more equal bids for the Bonds and those bids are the best bids received, the Director of Finance  
will determine by random selection which bid will be presented to the City Council.

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

**Adjustment of Principal Amounts and Bid Price After Bidding**

The City reserves the right to increase or decrease the preliminary aggregate principal amount of the Bonds by an  
amount not to exceed 10% of the principal amount of the Bonds after the cut-off time for receiving bids. The City  
also reserves the right to increase or decrease the preliminary principal amount of any maturity shown on Parity by  
an amount not to exceed the greater of \$700,000 or 15% of the preliminary principal amount of that maturity.

If the preliminary principal amount of the Bonds is adjusted by the City, the price bid by the successful bidder for  
the Bonds will be adjusted by the City on a proportionate basis to reflect an increase or decrease in the principal  
amount and maturity schedule. In the event that the City elects to increase or decrease the principal amount of the  
Bonds after receiving bids, the Underwriter's discount, expressed in dollars per thousand, will be held constant. The  
City will not be responsible in the event and to the extent that any adjustment affects (i) the net compensation to be  
realized by the successful bidder, or (ii) the true interest cost of the winning bid or its ranking relative to other bids.

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**Issue Price Information**

Upon award of the Bonds, the successful bidder for the Bonds shall advise the City and Bond Counsel of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”), for the City’s inclusion in the final Official Statement for the Bonds. Prior to delivery of the Bonds, the successful bidder for the Bonds shall furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries),
- (iii) stating the first price at which a substantial amount (at least 10%) of each maturity of the Bonds was sold to the public (excluding bond houses, brokers, and other intermediaries), and
- (iv) if the first price at which a substantial amount of any maturity of the Bonds is sold does not conform to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that resulted in that nonconformity.

A draft form of such certificate will be available prior to the sale date from the City’s Financial Advisor. See “Contact Information” in this Official Notice of Bond Sale.

**Insurance**

No bid for the Bonds may be conditioned upon obtaining insurance or any other credit enhancement, or upon the City’s acceptance of any of the terms of insurance or other credit enhancement. Any purchase of municipal bond insurance or commitment therefor shall be at the sole option and expense of the bidder, and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder, but shall not, in any event, be paid by the City. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its bid.

If the successful bidder purchases insurance for any of the Bonds, the City may require the successful bidder to furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel confirming that the present value (calculated using the same yield as the yield on the insured Bonds) of the insurance premium is less than the present value (calculated using the same yield as the yield on the insured Bonds) of the interest cost savings represented by the comparative differences between interest amounts that would have been payable on the various maturities of the insured Bonds at interest rates on the insured Bonds issued with and without the insurance on the insured Bonds

**Ratings**

The Bonds have been rated “Aa2” and “AA” by Moody’s Investors Service and Standard & Poor’s Ratings Services, respectively. The City will pay the fees for these ratings; any other ratings are the responsibility of the successful bidder.

**DELIVERY**

The City will deliver the Bonds (consisting of one certificate for each maturity of the Bonds) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC for closing 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 funds on the date of delivery.

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

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The City will furnish to the successful bidder for the Bonds one CD ROM transcript of proceedings; additional transcripts will be furnished at the successful bidder's cost.

**Legal Opinion**

The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, with respect to the Bonds will be provided to the successful bidder for the Bonds at the time of the delivery of the Bonds. The form of Bond Counsel's opinion is attached to the Preliminary Official Statement as Appendix B. A no-litigation certificate from the City Attorney will be included in the closing documents for the Bonds.

**CUSIP Numbers**

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

*The successful bidder for the Bonds is responsible for obtaining CUSIP numbers for the Bonds. The charge of the CUSIP Service Bureau shall be paid by such successful bidder.*

**CONTINUING DISCLOSURE UNDERTAKING**

In order to assist bidders in complying with paragraph (b)(5) of U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the City will undertake to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking and the City's compliance with its prior undertakings is set forth in the Preliminary Official Statement under "Legal and Tax Information—Continuing Disclosure Undertaking" and also will be set forth in the final Official Statement.

**OFFICIAL STATEMENT**

**Preliminary Official Statement**

The Preliminary Official Statement is in a form that the City expects to deem final for the purpose of paragraph (b)(1) of Rule 15c2-12, but is subject to revision, amendment, and completion in a final Official Statement, which the City will deliver, at the City's expense, to the successful bidder through its designated representative not later than seven business days after the City's acceptance of the successful bidder's bid, in sufficient quantities to permit the successful bidder to comply with Rule 15c2-12.

By submitting the successful proposal for the Bonds, the successful bidder's designated representative agrees:

- (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");
- (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;
- (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 the Bonds; and
- (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.

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

