

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 7451

A RESOLUTION of the City Council of the City of Bellevue, Washington, accepting a bid for the sale of the City's Limited Tax General Obligation Bonds, Series 2006 (New City Building II) and authorizing the terms of such bonds, all as provided by Ordinance No. 5691.

WHEREAS, the City of Bellevue, Washington (the "City"), by Ordinance No. 5691 passed August 7, 2006 (the "Bond Ordinance"), authorized the issuance and sale of the City's Limited Tax General Obligation Bonds, Series 2006 (New City Building II), in an aggregate principal amount of not to exceed \$6,200,000; and

WHEREAS the Bond Ordinance authorized the City's Finance Director to conduct a competitive sale of the Bonds, subject to approval by resolution of the City Council; and

WHEREAS, since Bond proceeds will not be used to pay a portion of the City's outstanding Limited Tax General Obligation Bond Anticipation Note, 2003 (Taxable), the Bonds can therefore be "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and the City Council wishes to change the designation of the Bonds for the purposes of Section 265(b)(3) set forth in the Bond Ordinance; and

WHEREAS, pursuant to the Bond Ordinance, a notice of sale in the form set forth at Exhibit A has been prepared and distributed for the sale of the Bonds; and

WHEREAS, pursuant to the notice of sale, the City received 10 bids to purchase the Bonds (copies of which are attached as Exhibit B); and

WHEREAS the bid with the lowest true interest cost to the City is the bid submitted by JP Morgan Securities Inc. (the "Purchaser"); and

WHEREAS it is in the best interests of the City to sell the Bonds to the Purchaser on the terms and conditions set forth in the Bond Ordinance, this resolution and the winning bid form, a copy of which is attached as Exhibit C; and

WHEREAS, in accordance with the Bond Ordinance, the Council wishes to authorize and approve the sale of the Bonds and the final principal maturity amounts, interest rates and redemption rights for the Bonds, all as set forth herein and to designate the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
RESOLVE AS FOLLOWS:

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Section 1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, in this resolution as such terms are given in Section 1 of the Bond Ordinance.

Section 2. Authorization of Issuance and Sale of the Bonds. The issuance of the Bonds, designated as the "City of Bellevue, Washington Limited Tax General Obligation Bonds, Series 2006 (New City Building II)," in the aggregate principal amount of \$6,060,000, dated as of their date of delivery, is hereby approved. The Bonds shall bear interest from their date until such interest has been paid or its payment duly provided for, payable each June 1 and December 1, commencing on June 1, 2007, at such rates and shall mature on December 1 in such years and amounts as are set forth below:

<u>Years (December 1)</u>	<u>Amounts</u>	<u>Interest Rate</u>
2007	\$180,000	4.25%
2008	210,000	4.25
2009	220,000	4.25
2010	230,000	4.25
2011	235,000	4.25
2012	245,000	4.25
2013	260,000	4.25
2014	270,000	4.25
2015	280,000	4.25
2016	290,000	4.25
2017	305,000	3.80
2018	315,000	3.85
2019	330,000	3.875
2020	340,000	3.90
2021	355,000	3.90
2022	370,000	3.95
2023	380,000	3.95
2024	400,000	4.00
2026	845,000	4.00

The Bonds shall conform in all other respects to the terms and conditions set forth in the Bond Ordinance, except as expressly provided herein.

Section 3. Redemption. The City reserves the right to redeem the Bonds maturing on and after December 1, 2017, in whole or in part, on any date on or after December 1, 2016, at par, plus accrued interest to the date of redemption. If less than a whole of a maturity is called for redemption, the Bonds to be redeemed shall be chosen by lot in integral multiples of \$5,000 by the Bond Registrar or, so long as

the Bonds are registered in the name of CEDE & Co. or its registered assign, by DTC.

The Bonds maturing on December 1, 2026 shall be redeemed prior to maturity by lot (or paid at maturity), not later than December 1 in the years 2025 through 2026 (to the extent such Bonds have not been previously redeemed or purchased) and in the principal amounts set forth below, without premium, together with the interest accrued to the date fixed for redemption.

Year	Amount
2025	\$ 415,000
2026*	430,000

* Final maturity.

Section 4. Execution and Delivery of the Bonds. The proper officers of the Council and the Finance Director of the City are hereby authorized and directed to do all things necessary or proper for the printing, execution and delivery of the Bonds to the Purchaser in accordance with the terms of the bid of the Purchaser and the Bond Ordinance, as well as this resolution, and for the proper application and use of the proceeds of such sale.

Section 5. Official Statement; Use of Documents. The Finance Director is authorized and directed to execute and deliver to the Purchaser copies of an Official Statement in substantially the form of the Preliminary Official Statement dated October 9, 2006; provided, however, that the Finance Director is authorized to supplement or amend the Official Statement as the Finance Director, with the approval of bond counsel to the City, deems necessary or appropriate. The Council represents to the Purchaser that the Preliminary Office Statement is "deemed final" by the City as of its date within the meaning of the Rule, except for the omission of such information as may be permitted by the Rule. The Council approves and authorizes the use of such Official Statement (including any such supplements and amendments thereto) in connection with the public offering and sale of the Bonds by the Purchaser.

Section 6. Tax Covenants.

(a) *Arbitrage Covenant.* The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) throughout the term of the Bonds.

(b) *Private Use Limitation for Bonds.* For purposes of this section, Private Use means the use of property in a trade or business by a person (including any trust, estate, partnership, association, company or corporation) engaged in a trade or business, if such use is other than as a member of the general public. Private Use includes ownership of the property as well as other arrangements that transfer the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the user apart from the general public. The City covenants that for as long as the Bonds are outstanding, it will not permit:

(i) More than 10% of the Net Proceeds of the Bonds to be allocated to any Private Use; and

(ii) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Use or secured by payments in respect of property used or to be used for any Private Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Use.

The City further covenants that, if:

(iii) More than five percent of the Net Proceeds of the Bonds are allocable to any Private Use; and

(iv) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Use or secured by payments in respect of property used or to be used for any Private Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Use, then, (1) any Private Use of the projects described in subsection (iii) hereof or Private Use payments described in subsection (iv) hereof that is in excess of the five percent limitations described in such subsections (iii) or (iv) will be for a Private Use that is related to the state or local governmental use of the projects financed or refinanced with Bond proceeds, and (2) any Private Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local

governmental use portion of the projects to which the Private Use of such portion of such projects relates. The City further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *Designation under Section 265(b)*. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for investment by financial institutions.

Section 7. Ratification of Past Acts. All actions and proceedings heretofore taken by the officers, agents, attorneys and employees of the City in connection with the issuance and sale of the Bonds are hereby ratified, approved and confirmed.

Section 8. Effective Date. This resolution shall be in effect from and after its adoption in accordance with law.

ADOPTED at a special meeting of the City Council of the City of Bellevue, Washington, this 18th day of October, 2006.

(SEAL)



Grant Degginger, Mayor

Attest:



Myrna L. Basich, City Clerk

CERTIFICATE

I, the undersigned, Clerk of the City of Bellevue, Washington (herein called the "City") and keeper of the records of the City Council of the City (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 7451 of the City (herein called the "Resolution"), as finally passed at a special meeting of the Council of the City held on the 18th day of October, 2006, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Council was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said resolution; that all other requirements and proceedings incident to the proper adoption or passage of said resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City this 18th of October, 2006.



City Clerk

EXHIBIT A
NOTICE OF SALE

ORIGINAL

OFFICIAL NOTICE OF SALE

\$6,190,000*

CITY OF BELLEVUE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2006 (NEW CITY BUILDING II)

ELECTRONIC BIDS will be received by the City of Bellevue, Washington (the "City"), for purchase of the above bonds (the "Bonds"), until 9:00 a.m. **Prevailing Pacific Time**, on

October 18, 2006.

The Bonds will be sold on an all-or-none basis. Bids must be submitted electronically as described herein.

All bids received with respect to the Bonds will be considered by the City Council at a Special Meeting on the day the bids are received. If the City accepts a bid, it will award the sale to the successful bidder and the terms of the successful bid will be approved by the Council at such meeting held on October 18, 2006 starting at 12:00 p.m. Prevailing Pacific Time.

Modification; Cancellation; Postponement Prior to the Sale Date

The City reserves the right to revise maturity amounts, terms and conditions, postpone the Bond sale to a later date or cancel the sale based upon market conditions, or to make other changes by posting changes to this Notice of Sale on i-Deal Prospectus or by placing a notice of the changes on Thomson Muni News on Thomson Municipal Market Monitor (www.tm3.com) for the afternoon prior to the date of receipt of bids. Bidders should note that certain changes to maturity amounts may also be made after the bids are received. See "Adjustment of Maturities" below.

As an accommodation to bidders, telephonic or facsimile notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from Regional Financial Advisors, Inc., telephone: (503) 227-2009. Failure of any bidder to receive such telephonic, facsimile or News Services' notice will not affect the legality of the sale.

Each bidder (and not the City) is responsible for the timely delivery of its bid. The official time will be determined by the City and not by any bidder or Qualified Electronic Bid Provider (defined below).

Rating

The City has applied to Moody's Investors Service and Standard & Poor's Corporation for a rating for the Bonds.

* Preliminary, subject to change.

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Description of the Bonds

The Bonds will be dated their date of delivery (anticipated to be on or around November 1, 2006), will be issued in denominations of \$5,000 or any integral multiple thereof within a single maturity and will bear interest at such rate or rates as the City shall fix at the time of sale, payable semiannually on each June 1 and December 1, beginning June 1, 2007, to their maturity or earlier redemption.

The bonds will be issued in the aggregate principal amount of \$6,190,000* (subject to adjustment as provided below), and will mature on December 1 of the following years in the following principal amounts:

Year	Principal Amounts*
2007	\$185,000
2008	215,000
2009	225,000
2010	230,000
2011	240,000
2012	250,000
2013	260,000
2014	270,000
2015	285,000
2016	295,000
2017	305,000
2018	320,000
2019	335,000
2020	350,000
2021	360,000
2022	380,000
2023	395,000
2024	410,000
2025	430,000
2026	450,000

* Preliminary, subject to change.

Adjustment of Maturities after the Bid Opening

The Bonds will be awarded based on the maturity schedule above. However, the City reserves the right to adjust the principal amount of the Bonds and each maturity during the business day of receipt of bids to obtain the amount of proceeds necessary to fund the projects to be financed with the proceeds of the Bonds and to adjust annual debt service after taking into account the interest rates and bid price offered by the successful bidder. The principal amount of any maturity of the Bonds shall only be adjusted in increments of \$5,000. Notice of any adjustment shall be given to the successful bidder by 11:00 a.m. Pacific Time on the day of sale. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR ANY INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE STATED PRINCIPAL AMOUNTS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling

compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the initial reoffering terms.

Optional Redemption

The City reserves the right to redeem the Bonds maturing on or after December 1, 2017, as a whole or in part on any date on and after December 1, 2016 (with the maturities to be redeemed to be selected by the City and randomly within a maturity in such manner as the Bond Registrar shall determine), at par plus accrued interest to the date fixed for redemption.

Term Bonds

The successful bidder may designate one or more Term Bonds, which consist of two or more consecutive maturities with identical interest rates, which mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities, and which are subject to mandatory prepayment and redemption at par and by lot in amounts equal to the consecutive maturities which were combined into Term Bonds. If a bidder desires Term Bonds, they should be specified in the bid, but failure to so indicate will not disqualify the bid.

Book-Entry Only.

The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, and purchasers will not receive physical certificates representing their interests in the Bonds purchased.

Purpose

The Bonds are being issued to pay or reimburse the City for costs of improvements to the New City Building, including paying a portion of the CIP Line of Credit and working capital thereon, and to pay costs of issuing the Bonds.

Security

The Bonds constitute valid and legally binding obligations of the City. The full faith, credit and resources of the City have been irrevocably pledged for the punctual payment of the principal of and interest on the Bonds. The City has irrevocably pledged that each year it will include in its budget an amount and levy an *ad valorem* tax, within and as a part of the levy permitted to cities without a vote of the people, upon all property within the City subject to taxation, in an amount that together with other available money, will be sufficient to pay the principal of and interest on the Bonds when due. The Bonds do not constitute a debt or indebtedness of the State of Washington, or any political subdivision thereof other than the City.

Bank Qualified

The City has designated the Bonds as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

Bond Insurance

The City will submit information to AMBAC, FGIC, FSA, MBIA, and XLCA. If these institutions qualify the Bonds for insurance, bidders may elect to insure the Bonds at the bidder's risk and expense.

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The City will add administrative provisions relating to insurance to the documents for the Bonds, but will not make changes which adversely affect the City.

Bidding Detail

Electronic Bids. Bids for the Bonds shall be submitted electronically via a qualified electronic bid provider (the "Qualified Electronic Bid Provider") only. The City has deemed PARITY® as the Qualified Electronic Bid Provider for purposes of receiving electronic bids for the Bonds.

Notice is hereby given that electronic bids will be received via PARITY® until 9:00 a.m., Prevailing Pacific Time, on October 18, 2006, but no bid will be received after the time for receiving bids specified in this paragraph. For further information about submitting a bid using PARITY®, potential bidders may contact the City's Financial Advisor at (503) 227-2009 or PARITY® at (212) 404-8102.

Bidders agree to the following terms and conditions:

- (i) If any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by the Qualified Electronic Bid Provider, this Official Notice of Sale, including any amendments issued through the News Services, shall control.
- (ii) Each bidder shall be solely responsible for making necessary arrangements to access the Qualified Electronic Bid Provider for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale.
- (iii) The City shall not have any duty or obligation to provide or assure access to the Qualified Electronic Bid Provider to any bidder, and the City shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Qualified Electronic Bid Provider or any incomplete, inaccurate or untimely bid submitted by any bidder through the Qualified Electronic Bid Provider.
- (iv) The City is using the Qualified Electronic Bid Provider as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The Qualified Electronic Bid Provider 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 any Qualified Electronic Bid Provider procedures.
- (vi) The City may regard the electronic transmission of a bid through the Qualified Electronic Bid Provider (including information regarding the purchase price for the Bonds and interest rates for any maturity of the Bonds) as though the information were submitted on a bid form and executed on the bidder's behalf by a duly authorized signatory.
- (vii) If the bidder's bid is accepted by the City, this Official Notice of Sale and the information that is transmitted electronically through the Qualified Electronic Bid Provider shall form a contract, and the bidder shall be bound by the terms of such contract.

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- (viii) Information provided by the Qualified Electronic Bid Provider to bidders shall form no part of any bid or of any contract between the successful bidder and the City unless that information is included in this Official Notice of Sale.

Interest Rate. Bidders must specify the interest rate or rates which the Bonds shall bear. The bids shall comply with the following conditions: (1) no Bond shall bear more than one rate of interest; (2) each Bond shall bear interest from its dated date to its stated maturity date at the interest rate specified in the bid; and (3) all Bonds maturing on the same date shall bear the same rate of interest.

Premium and Discount. Bids must be for the entire amount of the Bonds, and for a purchase price of not less than ninety-eight and two-tenths percent (98.20%) of the principal amount of the Bonds. Premium bids will be permitted without restriction.

Good Faith Deposit: Financial Surety Bond

Each bid must be secured by a good faith deposit in the amount of at least One Hundred Thousand Dollars (\$100,000), which shall be credited against the purchase price of the Bonds. The good faith deposit must be made in the form of a financial surety bond. The good faith deposit will be held by the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid, and will be forfeited to the City as liquidated damages if the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase of the Bonds in accordance with this notice of sale and its bid.

The financial surety bond must be issued by a company which is rated in the highest rating category by Moody's Investors Service, Inc., by Standard & Poor's Corporation, or by Fitch Investors Service, Inc. Notification that the bidder has obtained the surety bond must be given by the issuer of the surety bond to Preston Gates & Ellis LLP, attention: Stacey Crawshaw-Lewis, fax number (206) 623-7022 prior to the opening of the bids. Not later than 2:00 p.m. (Prevailing Pacific Time) on October 19, 2006 (the day following the sale), the successful bidder must send by electronic wire transfer to such account as the City shall specify, immediately available funds in an amount equal to the good faith deposit. If such wire transfer is not received from the successful bidder by 2:00 p.m. on that date, the City may draw on the financial surety bond immediately to satisfy the good faith deposit requirement.

Interest earnings on the good faith deposit will be the property of the City, and will not be credited against the purchase price of the Bonds. The successful bidder shall pay the balance of the purchase price of the Bonds at closing, in funds immediately available to the City on the date and at the time of closing.

Selection of Winning Bid.

The winning bid for the Bonds will be determined no later than 2:00 p.m., Prevailing Pacific Time, on October 18, 2006.

The Bonds will be sold to the bidder submitting a bid in conformance with this Official Notice of Sale that produces the lowest true interest cost to the City. The true interest cost will be the rate necessary, when using a 360-day year and semiannual compounding, to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid.

The successful bidder for the Bonds will be bound to purchase the Bonds in the principal amount, at such price, and with such interest rates as are specified in its bid, unless there is an adjustment in the

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principal amounts of the Bonds, in which case the successful bidder shall be bound to purchase the Bonds in the adjusted principal amounts at the revised bid amount, as described above.

The City reserves the right to reject any or all bids and to waive any irregularity in any bid.

Delivery of Bonds

The Bonds will be delivered to The Depository Trust Company in New York, New York ("DTC"), or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, against payment of the purchase price to the City in Bellevue, Washington, in immediately available federal funds, less the amount of the good faith deposit. On or before the date of delivery of the Bonds, the purchaser(s) shall provide to the City such information as bond counsel to the City deems necessary to determine the yield on the Bonds for purposes of Section 148 of the Internal Revenue Code of 1986, as amended. The successful bidder for the Bonds must actually reoffer all of such Bonds to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

The Bonds will be delivered in "book-entry only" form in accordance with the letter of representations from the City to DTC. As of the date of the award of the Bonds, each successful bidder must either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in DTC.

The City will furnish to the purchaser one transcript of proceedings (in CD form or paper form, at the purchaser's option); additional transcripts will be furnished at the purchaser's cost.

If, prior to the delivery of the Bonds, the interest thereon shall become includable in the gross income of the recipients thereof for federal income tax purposes, or if legislation which would have the same effect if adopted into law is passed by either house of Congress or proposed by a joint conference committee, the successful bidder, at its option, may be relieved of the obligation to purchase the Bonds, or the City, at its option, may be relieved of the obligation to deliver the Bonds.

CUSIP Numbers

CUSIP numbers will be imprinted upon all Bonds of this issue at the City's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

Legal Opinion

The City will furnish to the purchaser the legal opinion of Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, in substantially the form attached to the Preliminary Official Statement.

Continuing Disclosure

The City has entered into an undertaking for the benefit of the owners of the Bonds to provide certain financial information and operating data to certain information repositories annually and to provide notice to each of those repositories or to the Municipal Securities Rulemaking Board and to a state information depository for the state, if one is created, of certain events pursuant to the requirements of paragraph (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). See "CONTINUING DISCLOSURE" in the Preliminary Official Statement. The City never has failed to comply in any material respect with any previous undertaking entered into pursuant to the Rule.

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Closing Documents

As a condition to the obligations of the purchaser(s) to accept delivery of and pay for the Bond, the purchaser will be furnished the following, dated as of the date of closing:

- (i) A certificate of the Finance Director on behalf of the City certifying that as of the date of the Official Statement furnished concerning the Bonds, the Official Statement (other than information therein regarding DTC and its book-entry only system, and regarding any municipal bond insurer and its municipal bond insurance policy, and information provided by the successful bidder regarding reoffering prices and yields) did not contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements, in light of the circumstances under which they were made, not misleading.
- (ii) A certificate of the City to the effect that, except as disclosed in the Official Statement, there is no litigation pending, or to the knowledge of the signer and without investigation, threatened, seeking to restrain or enjoin the sale, issuance, execution, or delivery of the Bonds, or in any manner questioning or affecting the proceedings or authority under which the Bonds are issued or the validity of the Bonds or the obligation of the City evidenced thereby.

Official Statement

The preliminary official statement for the Obligations is available in electronic form from i-Deal Prospectus and will be posted at www.i-dealprospectus.com. For more information on electronic delivery, please call i-Deal Prospectus at 212-404-8104 or Regional Financial Advisors at (503) 227-2009, email jbiery@earthlink.net. The City will provide a paper copy of the preliminary official statement only upon request to the City's Financial Advisor.

The Preliminary Official Statement is in a form deemed final by the City for the purpose of the Rule, but is subject to revision, amendment and completion in a final Official Statement, which the City will deliver in sufficient quantities to permit the bidder to comply with the Rule, at the City's expense, to the successful bidder not later than seven business days after the City's acceptance of the successful bidder's proposal.

The successful bidder shall file, or cause to be filed, the final Official Statement with a nationally recognized municipal securities information repository designated by the Securities and Exchange Commission within one business day following the receipt of the Official Statement from the City.

Each successful bidder also agrees:

- (i) to provide to the City, in writing, within 24 hours of the acceptance of the bid, pricing and other related information necessary for completion of the final Official Statement and the final tax certification,
- (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, and
- (iii) to take any and all actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to ultimate purchasers, including without limitation, the delivery of a final Official Statement to each investor who purchases Bonds.

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Additional Information

Additional information and a reasonable number of copies of the Preliminary Official Statement (with Official Notice of Sale included) may be obtained from Regional Financial Advisors, Inc., 733 S.W. Vista Avenue, Portland, Oregon 97205, telephone: (503) 227-2009; fax: (503) 227-2510.

By order of City of Bellevue, Washington

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EXHIBIT B
BIDS FOR THE BONDS

**J.P. Morgan Securities Inc. - New York , NY's Bid
Bellevue**



**\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,212,759.95, 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 %
12/01/2007	185M	4.2500
12/01/2008	215M	4.2500
12/01/2009	225M	4.2500
12/01/2010	230M	4.2500
12/01/2011	240M	4.2500
12/01/2012	250M	4.2500
12/01/2013	260M	4.2500
12/01/2014	270M	4.2500
12/01/2015	285M	4.2500
12/01/2016	295M	4.2500
12/01/2017	305M	3.8000
12/01/2018	320M	3.8500
12/01/2019	335M	3.8750
12/01/2020	350M	3.9000
12/01/2021	360M	3.9000
12/01/2022	380M	3.9500
12/01/2023	395M	3.9500
12/01/2024	410M	4.0000
12/01/2025		
12/01/2026	880M	4.0000

Total Interest Cost: \$2,966,328.85
 Premium: \$22,759.95
 Net Interest Cost: \$2,943,568.90
 TIC: 3.967471
 Time Last Bid Received On: 10/18/2006 8:59:49 PDST

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

Bidder: J.P. Morgan Securities Inc., New York , NY
 Contact: Allen Mattson
 Title: Vice President
 Telephone: 212-834-7171
 Fax: 212-834-6743

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 10/18/2006

Upcoming Calendar Overview Result Excel

Morgan Keegan & Company, Inc. - Memphis , TN's Bid Bellevue



\$6,190,000 Limited Tax General Obligation Bonds, Series 2006 (New City Building II)

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,185,538.20, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Table with 3 columns: Maturity Date, Amount \$, Coupon %. Rows include dates from 12/01/2007 to 12/01/2026 with corresponding amounts and coupon rates.

Total Interest Cost: \$2,940,568.96
Discount: \$4,461.80
Net Interest Cost: \$2,945,030.76
TIC: 3.973949
Time Last Bid Received On:10/18/2006 8:54:41 PDST

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

Bidder: Morgan Keegan & Company, Inc., Memphis , TN
Contact: marcone tony
Title: vp trader/underwrite
Telephone:901-529-5401
Fax:

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Upcoming Calendar Overview Result Excel

**SunTrust Capital Markets, Inc. - Atlanta , GA's Bid
Bellevue**



**\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,204,821.50, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
12/01/2007	185M	4.1250
12/01/2008	215M	4.1250
12/01/2009	225M	4.1250
12/01/2010	230M	4.0000
12/01/2011	240M	4.0000
12/01/2012	250M	4.0000
12/01/2013	260M	4.0000
12/01/2014	270M	4.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	4.0000
12/01/2018	320M	4.0000
12/01/2019	335M	4.0000
12/01/2020	350M	4.0000
12/01/2021	360M	4.0000
12/01/2022		
12/01/2023	775M	4.0000
12/01/2024		
12/01/2025		
12/01/2026	1,290M	4.0000

Total Interest Cost: \$2,966,310.94
 Premium: \$14,821.50
 Net Interest Cost: \$2,951,489.44
 TIC: 3.975961
 Time Last Bid Received On: 10/18/2006 8:52:06 PDST

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

Bidder: SunTrust Capital Markets, Inc., Atlanta , GA
 Contact: Dara Smith
 Title: Director
 Telephone: 404-588-7982
 Fax: 404-724-3219

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Upcoming Calendar Overview Result Excel

Stifel Nicolaus & Company, Incorporated - Minneapolis , MN's Bid



**Bellevue
\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,272,574.52, 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 %
12/01/2007	185M	5.0000
12/01/2008	215M	5.0000
12/01/2009	225M	5.0000
12/01/2010	230M	5.0000
12/01/2011	240M	5.0000
12/01/2012	250M	5.0000
12/01/2013	260M	5.0000
12/01/2014	270M	5.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	3.8500
12/01/2018	320M	3.9000
12/01/2019	335M	3.9500
12/01/2020		
12/01/2021		
12/01/2022	1,090M	4.0000
12/01/2023		
12/01/2024		
12/01/2025		
12/01/2026	1,685M	4.0000

Total Interest Cost: \$3,043,967.08
 Premium: \$82,574.52
 Net Interest Cost: \$2,961,392.56
 TIC: 3.979264
 Time Last Bid Received On: 10/18/2006 8:58:11 PDST

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

Bidder: Stifel Nicolaus & Company, Incorporated, Minneapolis , MN
 Contact: Mike McMahon
 Title:
 Telephone: 612-332-5415

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Piper Jaffray - Kansas City , MO's Bid



Bellevue
\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,198,824.05, 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 %
12/01/2007	185M	4.0000
12/01/2008	215M	4.0000
12/01/2009	225M	4.0000
12/01/2010	230M	4.0000
12/01/2011		
12/01/2012	490M	4.0000
12/01/2013	260M	4.0000
12/01/2014	270M	4.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	4.0000
12/01/2018	320M	4.0000
12/01/2019	335M	4.0000
12/01/2020	350M	4.0000
12/01/2021	360M	4.0000
12/01/2022		
12/01/2023	775M	4.0000
12/01/2024		
12/01/2025		
12/01/2026	1,290M	4.0000

Total Interest Cost: \$2,964,633.33
 Premium: \$8,824.05
 Net Interest Cost: \$2,955,809.28
 TIC: 3.983829
 Time Last Bid Received On: 10/18/2006 8:59:54 PDST

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

Bidder: Piper Jaffray, Kansas City , MO
 Contact: Joyce Chaney
 Title: Managing Director
 Telephone: 913-345-3360
 Fax:

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**Seattle-Northwest Securities Corp. - Portland , OR's Bid
Bellevue**



**\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,205,751.95, 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 %
12/01/2007	185M	4.0000
12/01/2008	215M	4.0000
12/01/2009	225M	4.0000
12/01/2010	230M	4.0000
12/01/2011	240M	4.0000
12/01/2012	250M	4.0000
12/01/2013	260M	4.0000
12/01/2014	270M	4.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	3.9000
12/01/2018	320M	3.9500
12/01/2019	335M	4.0000
12/01/2020	350M	4.0000
12/01/2021	360M	4.0000
12/01/2022	380M	4.0500
12/01/2023	395M	4.0500
12/01/2024	410M	4.0500
12/01/2025	430M	4.1000
12/01/2026	450M	4.1250

Total Interest Cost: \$2,988,959.17
 Premium: \$15,751.95
 Net Interest Cost: \$2,973,207.22
 TIC: 4.000865
 Time Last Bid Received On: 10/18/2006 8:57:36 PDST

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

Bidder: Seattle-Northwest Securities Corp., Portland , OR
 Contact: Mark Lee
 Title: V.P.
 Telephone: 503-275-8325
 Fax: 503-275-8312

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Duncan-Williams, Inc. - Memphis , TN's Bid
Bellevue
\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)



For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,178,659.60, 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 %
12/01/2007	185M	3.7500
12/01/2008	215M	3.7500
12/01/2009	225M	3.7500
12/01/2010	230M	3.7500
12/01/2011	240M	3.7500
12/01/2012	250M	4.0000
12/01/2013	260M	4.0000
12/01/2014	270M	4.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	4.0000
12/01/2018	320M	4.0000
12/01/2019	335M	4.0000
12/01/2020	350M	4.0000
12/01/2021	360M	4.0000
12/01/2022	380M	4.0000
12/01/2023	395M	4.0000
12/01/2024	410M	4.0000
12/01/2025	430M	4.0000
12/01/2026	450M	4.0000

Total Interest Cost: \$2,955,880.21
 Discount: \$11,340.40
 Net Interest Cost: \$2,967,220.61
 TIC: 4.005474
 Time Last Bid Received On: 10/18/2006 8:50:04 PDST

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

Bidder: Duncan-Williams, Inc., Memphis , TN
 Contact: Angela Petty
 Title:
 Telephone: 901-260-6819
 Fax:

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PNC Capital Markets - Philadelphia , PA's Bid



Bellevue
\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,137,842.05, 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 %
12/01/2007	185M	3.5000
12/01/2008	215M	3.5000
12/01/2009	225M	3.5000
12/01/2010	230M	3.5000
12/01/2011	240M	3.5000
12/01/2012	250M	3.5500
12/01/2013	260M	3.6000
12/01/2014	270M	3.6250
12/01/2015	285M	3.6500
12/01/2016	295M	3.7000
12/01/2017	305M	3.7500
12/01/2018	320M	3.8000
12/01/2019	335M	3.8500
12/01/2020	350M	3.9000
12/01/2021	360M	3.9500
12/01/2022		
12/01/2023		
12/01/2024	1,185M	4.1250
12/01/2025		
12/01/2026	880M	4.1000

Total Interest Cost: \$2,918,930.52
 Discount: \$52,157.95
 Net Interest Cost: \$2,971,088.47
 TIC: 4.014485
 Time Last Bid Received On: 10/18/2006 8:59:31 PDST

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

Bidder: PNC Capital Markets, Philadelphia , PA
 Contact: Shahin Zandfard
 Title:
 Telephone: 215-585-1441
 Fax:

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**Wells Fargo Brokerage - Salt Lake City , UT's Bid
Bellevue**



**\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,176,246.40, 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 %
12/01/2007	185M	4.0000
12/01/2008	215M	4.0000
12/01/2009	225M	4.0000
12/01/2010	230M	4.0000
12/01/2011	240M	4.0000
12/01/2012	250M	4.0000
12/01/2013	260M	4.0000
12/01/2014	270M	4.0000
12/01/2015	285M	4.0000
12/01/2016	295M	4.0000
12/01/2017	305M	4.0000
12/01/2018	320M	4.0000
12/01/2019	335M	4.0000
12/01/2020	350M	4.0000
12/01/2021	360M	4.0000
12/01/2022		
12/01/2023	775M	4.0000
12/01/2024		
12/01/2025		
12/01/2026	1,290M	4.0000

Total Interest Cost: \$2,964,633.33
 Discount: \$13,753.60
 Net Interest Cost: \$2,978,386.93
 TIC: 4.024199
 Time Last Bid Received On: 10/18/2006 8:57:53 PDST

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

Bidder: Wells Fargo Brokerage, Salt Lake City , UT
 Contact: CLINT BIESINGER
 Title:
 Telephone: 801-246-1748
 Fax:

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Upcoming Calendar Overview Result Excel

Sterne, Agee & Leach, Inc - Nashville , TN's Bid



Bellevue
\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)

For the aggregate principal amount of \$6,190,000.00, we will pay you \$6,137,140.21, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Table with 3 columns: Maturity Date, Amount \$, Coupon %. Rows range from 12/01/2007 to 12/01/2026.

Total Interest Cost: \$2,930,283.12
Discount: \$52,859.79
Net Interest Cost: \$2,983,142.91
TIC: 4.046680
Time Last Bid Received On:10/18/2006 8:59:23 PDST

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

Bidder: Sterne, Agee & Leach, Inc, Nashville , TN
Contact: Benjamin Gerace
Title: SVP
Telephone:615-269-7323
Fax: 615-269-9223

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EXHIBIT C
WINNING BID

Result

J.P. Morgan Securities Inc.'s Reoffering Scale



Bellevue

**\$6,190,000 Limited Tax General Obligation Bonds,
Series 2006 (New City Building II)**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
12/01/2007	185M	4.2500	3.6000	100.681	
12/01/2008	215M	4.2500	3.6500	101.190	
12/01/2009	225M	4.2500	3.6500	101.732	
12/01/2010	230M	4.2500	3.6500	102.254	
12/01/2011	240M	4.2500	3.6500	102.758	
12/01/2012	250M	4.2500	3.6900	103.023	
12/01/2013	260M	4.2500	3.7400	103.145	
12/01/2014	270M	4.2500	3.7900	103.174	
12/01/2015	285M	4.2500	3.7500	103.816	
12/01/2016	295M	4.2500	3.7800	103.907	
12/01/2017	305M	3.8000	3.8300	99.728	
12/01/2018	320M	3.8500	3.8750	99.758	
12/01/2019	335M	3.8750	3.9000	99.743	
12/01/2020	350M	3.9000	3.9200	99.782	
12/01/2021	360M	3.9000	3.9500	99.433	
12/01/2022	380M	3.9500	3.9800	99.643	
12/01/2023	395M	3.9500	4.0100	99.260	
12/01/2024	410M	4.0000	4.0400	99.487	
12/01/2025					
12/01/2026	880M	4.0000	4.0700	99.043	

Accrued Interest: \$0.00

Gross Production: \$6,236,150.65

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