

January 10, 1984

INTRODUCED BY: BILL REAMS  
PROPOSED BY: 84-30

KING COUNTY, WASHINGTON

ORDINANCE NO. 6656

1  
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3  
4 AN ORDINANCE providing for the issuance and sale  
5 from time to time of tax anticipation notes of the  
6 county in the aggregate principal amount of not to  
7 exceed \$21,700,000 for the purpose of providing funds  
8 to pay the current expenses of the county pending the  
9 receipt of taxes; providing the form, terms and  
10 maturities of the notes; creating special accounts;  
11 providing and adopting certain covenants safeguarding  
12 the payment of the principal of and interest on those  
13 notes; authorizing the execution of an issuing and  
14 paying agency agreement, dealer agreement and credit  
15 agreement; confirming the sale of the notes; and  
16 authorizing the continuing issuance and delivery of  
17 additional notes refunding outstanding notes.

12 PREAMBLE:

13 Pursuant to Chapter 216, Laws of 1982 of the  
14 State of Washington (the "Act"), codified as Chapter  
15 39.50 RCW, the county is authorized, among other  
16 things, to borrow money in anticipation of the receipt  
17 of taxes of the county and to evidence such borrowing  
18 by tax anticipation notes of the county.

16 During 1984, the county will experience certain  
17 months when it will not have cash on hand to pay its  
18 current obligations and will need to borrow money to  
19 make those payments.

19 The county has determined that K.C.C. 4.14 does  
20 not apply to the services herein contemplated and has  
21 requested, received and evaluated proposals pursuant  
22 to K.C.C. 4.16.080 and King County Council Motion No.  
23 5860 and has negotiated, subject to county council  
24 approval, for the sale of short-term obligations to  
25 provide funds to make such payments.

23 Pursuant to such negotiations, a proposed  
24 agreement providing that Merrill Lynch, Pierce, Fenner  
25 & Smith, Inc. act as Dealer and Citibank, N.A. act as  
26 Issuing and Paying Agent for the county in connection  
27 with the sale of tax anticipation notes to be  
28 authorized by the county from time to time up to an  
29 aggregate outstanding principal amount of \$21,700,000  
30 (the "Notes") has been submitted this day to the  
31 county council for its acceptance.

28 In order to provide additional security to the  
29 holders of the Notes and to enhance the Notes'  
30 marketability on the most favorable terms and  
31 conditions, the county is authorized to enter into the  
32 Revolving Credit Agreement herein referred to in order  
33 to provide an additional source of funds with which to  
34 provide for the payment of the Notes when due.

32 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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ARTICLE I

SECTION 1. Definitions. The following words and terms as used in this ordinance shall have the following meanings, for all purposes of this ordinance, unless some other meaning is plainly intended or is required by the Act as in effect on the date of this ordinance:

"Act" means Chapter 216, Laws of 1982 of the State of Washington.

"Authorized Officer" means any of the following: The King County executive or deputy executive or director of the office of finance of the county, and such other persons as may be designated from time to time by the county executive. In addition, for the purposes therein designated the persons named in Appendix G hereto are Authorized Officers.

"Bank Note" means the promissory note authorized to be issued under the Credit Agreement.

"Credit Agreement" means the Revolving Credit Agreement between the county and The Mitsubishi Bank, Limited, New York Branch, authorized by Section III 4. hereof.

"Dealer" means Merrill Lynch, Pierce, Fenner & Smith, Inc. acting under the Dealer Agreement.

"Dealer Agreement" means the agreement between the county and Merrill Lynch, Pierce, Fenner & Smith, Inc., authorized by Section 3.3 hereof.

"Issuing and Paying Agency Agreement" means the agreement between the county and Citibank, N.A. authorized by Section III 2. hereof.

"Issuing and Paying Agent" means Citibank, N.A. acting in its capacity as such pursuant to the Issuing and Paying Agency Agreement.

1 "Note Fund" means the Tax Anticipation Note Account, 1984,  
2 in the Current Expense Fund of the county created by Section II  
3 3. hereof.

4 "Notes" means the Tax Anticipation Notes, 1984, of King  
5 county authorized to be issued pursuant to Section II 1.  
6 hereof.

7 "Related Agreements" means all of the Issuing and Paying  
8 Agency Agreement, the Dealer Agreement and the Credit  
9 Agreement.

10 "Taxes" means any and all ad valorem regular property  
11 taxes and excise taxes levied by the county, license fees and  
12 other charges and revenue collected for King County which are  
13 not required by law or ordinance to be paid into a special fund  
14 of the county.

15 SECTION 2. Ordinance to Constitute Contract. In  
16 consideration of the purchase and acceptance of any of the  
17 Notes authorized to be issued hereunder by those who shall hold  
18 the same from time to time, this ordinance shall be deemed to  
19 be and shall constitute a contract between the county and the  
20 holders from time to time of the Notes; and the pledge of and  
21 claim on the Note Fund and the covenants and agreements set  
22 forth in this ordinance to be performed on behalf of the county  
23 shall be for the equal benefit, protection and security of the  
24 holders of any and all of the Notes, all of which, regardless  
25 of the time or times of their delivery or maturity, shall be of  
26 equal rank without preference, priority or distinction of any  
27 of the Notes over any other thereof, except as expressly  
28 provided in or permitted by their terms with respect to rate of  
29 interest or otherwise.

30 ARTICLE II

31 Creation, Amount, Designation and Purpose of Issue.

1           SECTION 1. Authorization, Purpose and Payment Pledge.

2           The county is authorized to borrow money from time to time and  
3           to evidence such borrowing by the issuance of obligations to be  
4           designated "Tax Anticipation Notes, 1984," of King County  
5           (heretofore defined as the "Notes"). The amount to be borrowed  
6           shall not exceed an outstanding amount of \$21,700,000 but in no  
7           event greater than an amount permitted by Subsection 103(c) of  
8           the Internal Revenue Code of 1954, as amended, and the  
9           regulations promulgated thereunder. The Notes are issued in  
10          anticipation of the receipt by the county of Taxes for the  
11          county's Current Expense Fund. The Notes shall be issuable for  
12          the purpose of providing funds to enable the county to pay  
13          current expenses prior to the receipt of such Taxes and to pay  
14          the expenses of issuing the Notes. The county covenants that  
15          on all days on which the principal of and interest on Notes  
16          become due it will deposit sufficient money with the Issuing  
17          and Paying Agent, but solely from the sources specified in  
18          Section II 3. hereof, to pay such principal and interest when  
19          due. The county authorizes and directs the Issuing and Paying  
20          Agent to pay the principal of and interest on the Notes when  
21          due from money of the county representing the proceeds of  
22          additional Notes or from other money provided by the county.

23           SECTION 2. Terms and Form of Notes. The Notes shall be

24          dated as of the date of actual issuance and delivery thereof  
25          and shall be substantially in the form attached as Appendix A  
26          hereto with such appropriate variations, omissions and  
27          insertions as are permitted or required by this ordinance. The  
28          Notes shall be negotiable and payable to bearer. The county,  
29          the Issuing and Paying Agent and the Dealer may treat the  
30          bearer thereof as the absolute owner of any Note for the  
31          purpose of receiving payment thereof and for all other  
32          purposes, and neither the county nor the Issuing and Paying

1 Agent nor the Dealer shall be affected by any notice or  
2 knowledge to the contrary. The Notes shall be in denominations  
3 of integral multiples of \$1,000 with a minimum denomination of  
4 \$100,000 each unless otherwise agreed to by the county and the  
5 Dealer, shall be numbered serially from 1 upwards in order of  
6 their issuance, and shall mature not more than 270 days from  
7 their dates of issuance and in no event later than January 25,  
8 1985. The principal amount, date of issuance, maturity date  
9 and amount of interest shall be as specified in instructions of  
10 an Authorized Officer delivered to the Issuing and Paying Agent  
11 pursuant to Section II 5. hereof; except that: A. no Note  
12 shall be issued under this ordinance which matures subsequent  
13 to the expiration of the term of the Credit Agreement; B. no  
14 Note shall be sold for less than the par value thereof; C. no  
15 Note shall bear interest at a rate in excess of the prime rate  
16 of The Mitsubishi Bank, Limited, New York Branch, in effect on  
17 the date of issuance of such Notes or at an interest rate in  
18 excess of 14% per annum; and D. from and after receipt by the  
19 county of notice of termination of the Credit Agreement, no  
20 Note shall be issued under this ordinance. The county council  
21 finds and declares that it is in the best interests of the  
22 county to establish the maximum allowable interest rates on the  
23 Notes as set forth above.

24 The Notes shall be executed on behalf of the county by the  
25 manual signature of an Authorized Officer. The seal of the  
26 county council shall be impressed or a facsimile thereof  
27 imprinted on each Note. In case any person whose signature  
28 shall appear on any Notes shall cease to be an Authorized  
29 Officer before the delivery of such Notes, such signature shall  
30 nevertheless be valid and sufficient for all purposes, and such  
31 Note may be authenticated and delivered the same as if such  
32 Authorized Officer had remained an Authorized Officer until

1 such delivery. The Notes shall be payable, both as to  
2 principal and interest, in immediately available lawful money  
3 of the United States of America at the office of the Issuing  
4 and Paying Agent in New York, New York, designated pursuant to  
5 the Issuing and Paying Agency Agreement.

6 SECTION 3. Note Fund - Security and Sources of Payment of  
7 Notes.

8 A. There is established a special account in the Current  
9 Expense Fund of the county to be known as the "Tax Anticipation  
10 Note Account, 1984," (hereinbefore defined as the "Note Fund")  
11 which account shall be drawn upon only for the payment of the  
12 principal of and interest on the Notes or for the payment of  
13 the principal of and interest on the Bank Note as provided in  
14 Section II 6. hereof. The county covenants and agrees that it  
15 will deposit in the Note Fund: 1. at the time received, the  
16 proceeds of sale of subsequent issues of Notes pursuant to  
17 Section II 1. hereof, 2. on the date interest on any Note is  
18 due, sufficient moneys from the Current Expense Fund to pay  
19 such interest; 3. by January 25, 1985, sufficient Taxes  
20 received by the county and other money available to pay the  
21 principal of and interest on all of the outstanding Notes at  
22 their maturity, and 4. at the time received, the proceeds of  
23 sale of any Bank Note. In order to secure the payment when due  
24 of the principal of and interest on the Notes and the  
25 performance of any other obligation of the county to the  
26 holders of the Notes, the county pledges to such payment and  
27 performance all amounts from time to time on deposit in the  
28 Note Fund and the Current Expense Fund.

29 B. The county agrees for the benefit and protection of  
30 the holders from time to time of the Notes that, to the extent  
31 it does not have other funds available with which to make such  
32 payment when due, it shall issue and sell a Bank Note pursuant

1 to the Credit Agreement and apply the proceeds of such sale to  
2 such payment.

3 C. The county irrevocably pledges to include in its  
4 budget and to levy Taxes annually, including ad valorem  
5 property taxes within and as a part of the tax levy permitted  
6 to counties without a vote of the people on all of the property  
7 in the county subject to taxation in an amount sufficient,  
8 together with other money legally available for such purpose  
9 and to be used therefor, to pay the principal of and interest  
10 on the Notes and Bank Note as the same shall accrue, and the  
11 full faith, credit and resources of the county are pledged  
12 irrevocably for the annual collection of those taxes and the  
13 prompt payment of that principal and interest.

14 SECTION 4. Execution and Delivery of Notes to Issuing and  
15 Paying Agent. Upon the passage of this ordinance and from time  
16 to time thereafter as may be required in connection with the  
17 issuance of the Notes authorized hereby, the county shall  
18 execute and deliver to the Issuing and Paying Agent for  
19 safekeeping, completion, authentication and delivery in  
20 accordance with the provisions hereof and of the Issuing and  
21 Paying Agency Agreement, Notes in the form required by Section  
22 II 2. hereof with the date of issuance, principal amount,  
23 maturity date and amount of interest left blank. Each such  
24 Note shall be held in safekeeping by the Issuing and Paying  
25 Agent until authenticated and delivered in accordance with the  
26 provisions of Section II 5. hereof and the Issuing and Paying  
27 Agency Agreement.

28 SECTION 5. Issuance and Sale of Notes; Maturities and  
29 Interest Rates.

30 A. Notwithstanding the provisions of chapters 4.14 and  
31 4.16 of the King County Code, the county may issue and sell  
32 Notes at private sale pursuant to the Dealer Agreement at such

1 time, in such amounts, with such maturities, at such rates of  
2 interest and upon such other terms and conditions as shall be  
3 fixed by an Authorized Officer at the time of sale, subject  
4 only to the provisions of this ordinance and the Related  
5 Agreements; and it is found and determined that such manner of  
6 sale is in the best interests of the county.

7 B. Upon receipt of written instructions (including  
8 instructions given by electronic wire service) from an  
9 Authorized Officer specifying the principal amounts, dates of  
10 issuance, maturities, rates of interest, and other terms and  
11 conditions as shall be determined by such Authorized Officer,  
12 the Issuing and Paying Agent shall withdraw from safekeeping  
13 the necessary Notes theretofore delivered to it pursuant to  
14 Section 11 4. hereof and shall complete the same in accordance  
15 with such instructions. Notwithstanding the foregoing,  
16 however, an Authorized Officer may give telephonic instructions  
17 to the Issuing and Paying Agent provided the same are confirmed  
18 in writing, which may include a writing transmitted by  
19 facsimile or other electronic means, within 24 hours. Such  
20 written instructions or confirmation also shall specify the  
21 purchase price for the Notes and shall contain a request that  
22 the Issuing and Paying Agent authenticate the necessary Notes  
23 by countersigning the same and deliver the same to the  
24 purchaser(s) thereof pursuant to the Issuing and Paying Agency  
25 Agreement. There shall be printed upon, or delivered with, the  
26 Notes, the approving legal opinion with respect thereto of  
27 Messrs. Preston, Thorgrimson, Ellis & Holman, Bond Counsel,  
28 substantially in the form included in Appendix A hereto.

29 C. The delivery to the Issuing and Paying Agent, of any  
30 instructions, telephonic or written, with respect to the  
31 issuance of Notes, shall constitute a certification by the  
32 county to the following effect:



1           1. The representations and warranties of the county  
2 contained herein and in the Issuing and Paying Agency Agreement  
3 are true and correct as of the proposed date of issuing of such  
4 Notes;

5           2. No event of default under this ordinance has  
6 occurred;

7           3. The certifications and statements contained in the  
8 county's Master Arbitrage Certificate in the form of Appendix B  
9 hereto, or substantially in such form but reflecting changes in  
10 the figures therein which have occurred since the date Appendix  
11 B was prepared which changes are not material, are true,  
12 correct and complete with respect to the Notes referred to in  
13 such instructions as of the proposed date of issuance thereof;  
14 and

15           4. All agreements and covenants to be performed by the  
16 county with respect to such Notes have been duly performed.

17           In confirmation of the foregoing, the county agrees to  
18 cause an Authorized Officer to execute and deliver to the  
19 Issuing and Paying Agent a certificate in substantially the  
20 form attached hereto as Appendix C.

21           SECTION 6. Application of Proceeds. The county shall  
22 deposit, from the proceeds of the initial issuance and sale of  
23 Notes under this ordinance, into the Current Expense Fund of  
24 the county, the amount required, together with other money on  
25 deposit in such fund, to pay the expenses and obligations of  
26 the Current Expense Fund when due and to pay the costs of  
27 issuance of the Notes. The proceeds of each subsequent  
28 issuance and sale of Notes shall be applied first to the  
29 payment of the principal of and interest on any Notes coming  
30 due on the date of such issuance and sale of Notes or to  
31 defease Notes pursuant to Section VII 6. hereof. Any proceeds  
32 of any such subsequent issuance and sale of Notes remaining

1 after the payment of prior Notes as provided in the preceding  
2 sentence shall be applied to the payment of any outstanding  
3 Bank Note.

4 SECTION 7. Lost, Destroyed or Mutilated Notes. In the  
5 event any Note is lost, destroyed or mutilated, the county will  
6 cause to be issued a new Note, substantially similar to the  
7 original, to replace the same, in such manner and upon such  
8 reasonable terms and conditions as any Authorized Officer may  
9 from time to time determine and in compliance with the laws of  
10 the State of Washington.

11 SECTION 8. Custody of Cancelled Notes. All Notes  
12 surrendered to the Issuing and Paying Agent upon the payment of  
13 the principal and interest upon maturity thereof shall be  
14 cancelled by the Issuing and Paying Agent and forthwith  
15 transmitted to the county, and thereafter the county shall have  
16 the custody of all thereof.

17 ARTICLE III

18 Related Agreements

19 SECTION 1. Approval of Related Agreements. The county  
20 council finds that it is in the best interests of the county to  
21 enter into the Related Agreements.

22 SECTION 2. Issuing and Paying Agency Agreement. The  
23 county approves the terms of an Issuing and Paying Agency  
24 Agreement with Citibank, N.A. in the form or substantially in  
25 the form attached hereto as Appendix D and authorizes and  
26 directs that the same be executed and delivered by an  
27 Authorized Officer in such form or substantially in such form  
28 with such changes therein as the Authorized Officer executing  
29 the same may approve, his/her execution thereof, to be  
30 conclusive evidence of such approval and that such changes are  
31 within the authority hereby granted.  
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1           SECTION 3. Dealer Agreement. The county approves the  
2 terms of a Dealer Agreement with Merrill Lynch, Pierce, Fenner  
3 & Smith, Inc. in the form or substantially in the form attached  
4 hereto as Appendix E and authorizes and directs that the same  
5 be executed and delivered by an Authorized Officer in such form  
6 or substantially in such form with such changes therein as the  
7 Authorized Officer executing the same may approve, his/her  
8 execution thereof to be conclusive evidence of such approval  
9 and that such changes are within the authority hereby granted.

10           SECTION 4. Credit Agreement.

11           A. The county approves the terms of a Credit Agreement  
12 with The Mitsubishi Bank, Limited, New York Branch,  
13 substantially in the form attached hereto as Appendix F and  
14 authorizes and directs that the same be executed and delivered  
15 by an Authorized Officer in such form or substantially in such  
16 form with such changes therein as the Authorized Officer  
17 executing the same may approve, his/her execution thereof to be  
18 conclusive evidence of such approval and that such changes are  
19 within the authority hereby granted.

20           B. The county is authorized to borrow money from time to  
21 time pursuant to the Credit Agreement for the sole purpose of  
22 paying the principal of and interest on Notes when due. The  
23 county authorizes and directs the Authorized Officer, in  
24 connection with any such borrowing, to execute and deliver a  
25 Bank Note in substantially the form of Exhibit A to the Credit  
26 Agreement and to execute and deliver the certificates required  
27 by the Credit Agreement for such borrowing. The county council  
28 finds and declares that it is in the best interests of the  
29 county to fix the index for the interest rates on the Bank Note  
30 as set forth in the Credit Agreement.

31           C. The Bank Note shall be payable solely from the special  
32 account of the county designated the "Bank Note Redemption

1 Account," in the Current Expense Fund which Account is hereby  
2 established. The county covenants and agrees that if, and for  
3 so long as, any advance under the Credit Agreement is  
4 outstanding it will deposit in the Bank Note Redemption  
5 Account: 1. to the extent provided in Section II 6. hereof,  
6 the proceeds of sale of issues of Notes, and 2. Taxes received  
7 by the county to the extent such proceeds are not required to  
8 be deposited in the Note Fund pursuant to Section 2.3 hereof.

9 ARTICLE IV

10 Representations and Warranties

11 The county represents, warrants and agrees as follows:

12 SECTION 1. Corporate Authority. The county has full  
13 legal right, power and authority to: A. adopt this ordinance,  
14 B. to enter into the Related Agreements, C. to sell, issue and  
15 deliver the Notes and Bank Note as provided herein, and D. to  
16 carry out and consummate all other transactions contemplated by  
17 this ordinance and the Related Agreements.

18 SECTION 2. Due Authorization and Approval of Ordinance,  
19 Notes and Related Agreements. By all necessary official action  
20 prior to or concurrently herewith, the county has duly  
21 authorized and approved the execution and delivery of, and the  
22 performance by the county of its obligations contained in the  
23 Notes, Bank Note, this ordinance and the Related Agreements and  
24 the consummation by it of all other transactions contemplated  
25 by this ordinance and the Related Agreements in connection with  
26 the issuance of the Notes and Bank Note, and such  
27 authorizations and approvals are in full force and effect and  
28 have not been amended, modified or supplemented in any material  
29 respect.

30 SECTION 3. Ordinance and Related Agreements to Constitute  
31 Legal, Valid and Binding Obligations of County. This ordinance  
32 constitutes, and the Related Agreements when executed and

1 delivered will constitute, the legal, valid and binding  
2 obligations of the county.

3 SECTION 4. Notes to Constitute Legal, Valid and Binding  
4 Obligations of County. The Notes and Bank Note, when issued,  
5 authenticated and delivered, will constitute the legal, valid  
6 and binding obligations of the county.

7 SECTION 5. No Breach or Default. The county is not in  
8 breach of or default under any applicable judgment or decree or  
9 any loan agreement, indenture, bond note, resolution,  
10 ordinance, motion, agreement or other instrument to which the  
11 county is a party or to which the county or any of its property  
12 or assets are otherwise subject where such breach or default  
13 would have a material adverse effect on the operations or  
14 financial condition of the county; and A. the adoption of this  
15 ordinance, B. the execution and delivery of the Related  
16 Agreements, and C. the sale, issuance and delivery of the Notes  
17 or Bank Note, and compliance on the county's part with the  
18 provisions contained therein, will not conflict with or  
19 constitute a breach of or default under any constitutional  
20 provision, law, administrative regulation, judgment, decree,  
21 loan agreement, indenture, bond note, resolution, ordinance,  
22 motion, agreement or other instrument to which the county is a  
23 party or to which the county or any of its property or assets  
24 are otherwise subject, nor will any such adoption, execution,  
25 delivery, sale, issuance or compliance result in the creation  
26 or imposition of any lien, charge or other security interest or  
27 encumbrance of any nature whatsoever upon any of the property  
28 or assets of the county or under the terms of any such law,  
29 regulation or instrument, except as provided by the Notes, Bank  
30 Note and this ordinance.

31 ARTICLE V

32 Covenants of the County

1           SECTION 1. Punctual Payment of Notes. The county  
2 covenants that it will duly and punctually pay or cause to be  
3 paid the principal of and interest on every Note at the places,  
4 on the dates and in the manner provided herein and in the  
5 Notes. Except as otherwise provided in this ordinance, the  
6 principal and interest on the Notes are payable solely from the  
7 funds pledged therefor by this ordinance, and, except as  
8 provided herein, nothing in the Notes or in this ordinance  
9 shall be construed as obligating the State of Washington or any  
10 political subdivision thereof to pay the Notes or the interest,  
11 if any, thereon or as pledging the faith and credit or taxing  
12 power of the State of Washington or of any such political  
13 subdivision.

14           As long as any Notes are outstanding, the county will  
15 cause an office or agency where any Notes may be presented for  
16 payment to be maintained in the Borough of Manhattan, City and  
17 State of New York.

18           SECTION 2. Notes to Remain Tax Exempt; Nonarbitrage. The  
19 county covenants that it will not take or permit to be taken on  
20 its behalf any action which would adversely affect the  
21 exemption from federal income taxation of the interest on the  
22 Notes and will take or require to be taken such acts as may  
23 reasonably be within its ability and as may from time to time  
24 be required under applicable law to continue the exemption from  
25 federal income taxation of the interest on the Notes. Without  
26 limiting the generality of the foregoing, the county covenants  
27 that it will not issue an amount of Notes or take any action or  
28 fail to take any action with respect to the investment of the  
29 proceeds of any Notes or other funds which would result in  
30 constituting the Notes "arbitrage bonds" within the meaning of  
31 such term as used in Section 103(c) of the Internal Revenue  
32 Code of 1954, as amended (the "Code"), or which would violate

1 Treasury Regulations under Section 103(c) of the Code  
2 applicable to the Notes. The county further covenants that it  
3 will not expend, or permit to be expended, Note proceeds in any  
4 manner inconsistent with its expectations as certified in the  
5 Master Arbitrage Certificate to be executed with respect to the  
6 Notes, except that the county may expend Note proceeds in any  
7 manner if the county first obtains an unqualified opinion of  
8 Bond Counsel that such expenditure will not impair the  
9 exemption from federal income taxes of the interest on the  
10 Notes.

11 The county represents that it has not been notified of any  
12 listing or proposed listing by the Internal Revenue Service to  
13 the effect that it is a bond issuer whose arbitrage  
14 certifications may not be relied upon.

15 SECTION 3. Use of Note Proceeds; Restrictions on  
16 Amendments. The county covenants that none of the proceeds of  
17 the Notes will be used for any purpose other than as provided  
18 in this ordinance and that the county shall not suffer any  
19 amendment or supplement to this ordinance, or any departure  
20 from the due performance of the obligations of the county  
21 hereunder, which might materially adversely affect the rights  
22 of the holders from time to time of the Notes.

23 SECTION 4. Maintenance of Credit Agreement. The county  
24 covenants that, as long as any Notes are outstanding, it will  
25 not agree to or acquiesce in: A. any reduction of the amount  
26 available under the Credit Agreement to an amount less than the  
27 aggregate principal amount of Notes outstanding plus the amount  
28 of interest, if any, to be paid thereon at maturity or B. any  
29 termination of The Mitsubishi Bank, Limited's obligation to  
30 make advances under the Credit Agreement to fund the repayment  
31 of outstanding Notes prior to the maturity of the outstanding  
32 Notes.





1           SECTION 1. General Authorization. Each Authorized  
2 Officer is authorized to do and perform from time to time any  
3 and all acts and things consistent with this ordinance  
4 necessary or appropriate to carry the same into effect.

5           SECTION 2. Successors of County. In the event that any  
6 board, body or commission shall lawfully succeed to the  
7 principal functions of the county under the Act or that the  
8 powers and duties given to the county by the laws of the State  
9 of Washington or King County Charter shall be lawfully  
10 transferred to some other board, body or commission, all of the  
11 covenants, obligations and agreements contained in this  
12 ordinance by or on behalf of or for the benefit of the county  
13 shall bind or inure to the benefit of the successor or  
14 successors of the county from time to time.

15           SECTION 3. Effect of Partial Invalidity. In case any one  
16 or more of the provisions of this ordinance or of the Notes  
17 shall for any reason be held to be illegal or invalid, such  
18 illegality or invalidity shall not affect any other provision  
19 of this ordinance or of the Notes, but this ordinance and the  
20 Notes shall be construed and enforced as if such illegal or  
21 invalid provision had not been contained therein. In case any  
22 covenant, obligation or agreement contained in the Notes or in  
23 this ordinance shall for any reason be held to be in violation  
24 of law, then such covenant, obligation or agreement shall be  
25 deemed to be the covenant, obligation or agreement of the  
26 county to the full extent permitted by law.

27           SECTION 4. Effect of Covenants, etc. All covenants,  
28 obligations and agreements of the county contained in this  
29 ordinance shall be deemed to be covenants, obligations and  
30 agreements of the county to the full extent authorized by the  
31 Act and permitted by the Constitution of the State of  
32 Washington. No covenant, obligation or agreement contained

1 herein shall be deemed to be a covenant, obligation or  
2 agreement of any present or future member, agent or employee of  
3 the county in his individual capacity, and neither the members  
4 of the county council nor any Authorized Officer thereof  
5 executing the Notes shall be liable personally on the Notes or  
6 be subject to any personal liability or accountability by  
7 reason of the issuance thereof. No member, officer, agent or  
8 employee of the county shall incur any liability in acting or  
9 proceeding or in not acting or not proceeding in good faith in  
10 accordance with the terms of this ordinance and the Act. This  
11 ordinance is passed with the intent that the laws of the State  
12 of Washington shall govern its construction.

13 SECTION 5. Severability. If any one or more of the  
14 covenants or agreements provided in this ordinance to be  
15 performed on the part of the county shall be declared by any  
16 court of competent jurisdiction to be contrary to law, then  
17 such covenant or covenants, agreement or agreements, shall be  
18 null and void and shall be deemed separable from the remaining  
19 covenants and agreements in this ordinance and shall in no way  
20 affect the validity of the other provisions of this ordinance  
21 or of the Notes.

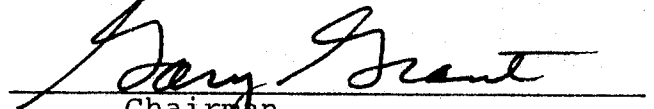
22 SECTION 6. Defeasance. In the event that cash and/or  
23 United States Treasury obligations (or repurchase agreements of  
24 such obligations) bearing such interest and maturity date or  
25 dates as will assure the payment of the principal of and  
26 interest on any Note at maturity are set aside in the Note Fund  
27 and irrevocably pledged to the payment of such principal and  
28 interest, such Note shall cease to be entitled to any lien,  
29 benefit or security of this ordinance except the right to  
30 receive payment in full from the cash and/or proceeds of such  
31 obligations (or repurchase agreements) so set aside and pledged  
32

1 and such Note shall not be deemed to be outstanding for any  
2 purposes of this ordinance or the Related Agreements.


3 INTRODUCED and read for the first time this 9th day  
4 of January, 1984.

5 PASSED this 16th day of January, 1984.

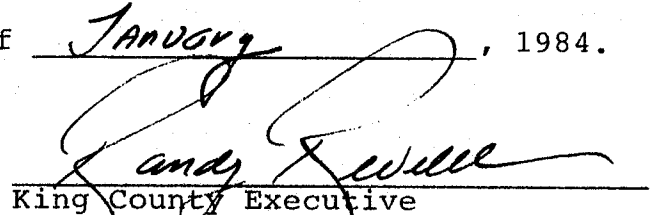
6 KING COUNTY COUNCIL  
7 KING COUNTY, WASHINGTON

8   
9 Chairman

10 ATTEST:

11   
12 Clerk of the council

13 APPROVED this 16th day of January, 1984.

14   
15 King County Executive

## APPENDIX A

\$ \_\_\_\_\_

No. \_\_\_\_\_

## KING COUNTY

## STATE OF WASHINGTON

## TAX ANTICIPATION NOTE, 1984

\_\_\_\_\_, 1984

KING COUNTY (the "County"), a municipal corporation of the State of Washington, for value received promises to pay to the order of Bearer \_\_\_\_\_ on \_\_\_\_\_, 198\_, the sum of \_\_\_\_\_ DOLLARS with interest in the amount of \_\_\_\_\_ upon presentation and surrender of this Note at the office of Citibank, N.A., 20 Exchange Place, New York, New York. This Note is valid only when countersigned and delivered by Citibank, N.A. as Issuing and Paying Agent.

Pursuant to the Tax Anticipation Note Ordinance (the "Ordinance") passed by the County Council on January \_\_\_\_\_, 1984, this Note is one of an Authorized issue of Notes payable, as to both principal and interest, from the "Tax Anticipation Note Account, 1984," (the "Note Fund") in the Current Expense Fund of the County. The County, by the Ordinance, has covenanted and agreed to deposit in the Note Fund (a) at the time received, the proceeds of sale of subsequent issues of Notes pursuant to Section 2.1 of the Ordinance, (b) on the date interest is due on any Note, sufficient moneys from the Current Expense Fund to pay such interest, (c) by January 25, 1985, sufficient taxes received by the County to pay the principal of and retire all of the outstanding Notes at their maturity, and (d) at the time received, the proceeds of sale of any hereinafter described Bank Notes. The County has entered into a Revolving Credit Agreement with The Mitsubishi Bank, Limited, New York Branch, New York, New York, pursuant to which that Bank has agreed to purchase promissory notes to provide funds, if required, to pay the principal and interest on the Notes when the same become due.

This Note is a general obligation of the County. The County irrevocably pledges to budget and levy any and all ad valorem regular property taxes and excise taxes, license fees and other charges collected for King County which are to be paid into the Current Expense Fund of the County and are not required by law or ordinance to be paid into a special fund of the County in an amount sufficient, together with other money legally available and to be used therefor, to pay the principal of and interest on this Note and the full faith, credit and resources of the County are pledged irrevocably for the payment of such principal and interest.

It is certified and declared that this Note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the ordinances and Charter of the County, and all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened and have been performed as provided by law.

KING COUNTY

[S E A L]

By \_\_\_\_\_  
Authorized Officer

Countersigned by  
Citibank, N.A.  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Officer

[Back of Note Form]

I, ROBERT V. COWAN, JR., Director of the Office of Finance of King County, Washington, certify that the following is a true copy of the complete legal opinion of Preston, Thorgrimson, Ellis & Holman, attorneys, Seattle, Washington, on file in this office and addressed to the County, which opinion is dated the date the first issue of Notes referred to therein were delivered and paid for.

\_\_\_\_\_  
Director of the Office of Finance  
King County, Washington

PRESTON, THORGRIMSON, ELLIS & HOLMAN  
2000 IBM Building  
Seattle, Washington 98101

King County, Washington

Re: \$21,700,000 Tax Anticipation Notes, 1984, of King County (the "Notes") issued under Ordinance No. \_\_\_\_\_ (the "Ordinance") passed January \_\_\_\_\_, 1984.

Gentlemen:

We have acted as counsel to King County, Washington (the "County"), in the matter of the authorization, sale and issuance from time to time of the Notes in the principal amount of \$21,700,000 outstanding at any time. This opinion is furnished on the basis of (a) statutes, regulations and court decisions in effect on its date, (b) the representations, warranties and covenants contained in the Ordinance, and (c) the Master Non-Arbitrage Certificate of the County dated as of the date hereof. This opinion may be relied on in connection with the Notes issued after the date hereof only to the extent that (1) there has been no intervening change in those statutes, regulations and court decisions, (2) the representations, warranties and covenants contained in the Ordinance remain valid and in effect, and (3) the facts stated in the Master Non-Arbitrage Certificate are reaffirmed as of the date of each such issue.

We have examined Chapter 216, Laws of 1982 of the State of Washington (the "Act"), and other applicable statutes; a certified copy of the County Charter; the Ordinance; and such

certificates and other papers, and have made such other examinations as we have deemed necessary in connection with this opinion. Based thereon, it is our opinion that:

1. The Notes are authorized by the Act and have been duly authorized by the Ordinance.

2. When issued in duly authorized form, executed by authorized officers of the County, countersigned by the Issuing and Paying Agent, and delivered to and paid for by the purchasers thereof, all in accordance with the Ordinance, the Notes will be legal, valid and binding general obligations of the County, and except to the extent refunded by other Notes or a Bank Note (as defined in the Ordinance), will be payable out of any and all ad valorem regular property taxes and excise taxes levied by the County, license fees and other charges collected for the County which are to be paid into the Current Expense Fund of the County and are not required by law or ordinance to be paid into a special fund of the County. Obligations of the County, including the Notes, are subject to laws of bankruptcy and insolvency and to other laws affecting the rights and remedies of creditors and to the exercise of judicial discretion.

3. The agreements and covenants contained in the Ordinance are authorized by the Act and are legal, valid and binding and are enforceable in accordance with the terms thereof, subject to laws of bankruptcy and other matters described in opinion item 2 above.

4. The Notes are a general obligation of the County and the full faith, credit and resources of the County have been pledged irrevocably for the payment of the principal of and interest on such Notes.

5. Under statutes, regulations and court decisions in effect on the date hereof and upon compliance with certain conditions and covenants of the County contained in the Ordinance, the interest paid to Note holders will be exempt from income taxes of the United States of America.

Very truly yours,

PRESTON, THORGRIMSON,  
ELLIS & HOLMAN

APPENDIX B  
MASTER NON-ARBITRAGE CERTIFICATE  
OF  
KING COUNTY, WASHINGTON

I, ROBERT V. COWAN, JR., Director, Office of Finance of King County, Washington (the "County"), being charged among others, with responsibility for issuing the County's Tax Anticipation Notes, 1984 (the "Notes"), in an aggregate principal amount outstanding of not to exceed \$21,700,000 pursuant to Ordinance No. \_\_\_\_\_ of the County Council (the "Note Ordinance") and Chapter 216, Laws of 1982 of the State of Washington, certify and expect that the following will occur with respect to the Notes. This certification is made in compliance with Sections 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations under the Internal Revenue Code of 1954, as amended (herein called the "Regulations"), and is delivered as a part of the transcript of proceedings and accompanying certificates with respect to the Notes. To the best of my knowledge and belief, the expectations of the County as set forth herein are reasonable.

1. The Note Ordinance, passed \_\_\_\_\_, 1984, authorized the issuance, from time to time, of Notes to investors and a bank note (the "Bank Note") under a revolving credit agreement with The Mitsubishi Bank, Limited, New York Branch (the "Credit Agreement"). The outstanding amount of the Bank Note will be aggregated with the outstanding amount of Notes for purposes of the limitation on the amount of Notes set forth above.

2. The Notes will bear interest from the date of issuance and will be in bearer form in denominations of integral multiples of \$1,000 and a minimum denomination of \$100,000. The Notes will mature on any day agreed upon by the County and the purchaser, but not more than 270 days from the issuance thereof.

3. The Notes will be issued for the purpose of paying any County expenses payable from the County's Current Expense Fund in anticipation of the receipt of taxes and other revenues payable into such Fund and to pay the expenses of issuing the Notes.

4. The County will deposit the proceeds of the initial sale of the Notes into the Current Expense Fund of the County to pay the expenses and obligations of the Current Expense Fund when due and to pay the costs of issuance of the Notes.

5. The proceeds of each subsequent issuance and sale of Notes shall be deposited in the Tax Anticipation Note Account, 1984 (the "Note Fund"), in the Current Expense Fund of the County, established pursuant to the Note Ordinance, and applied to the payment of the principal of any Notes coming due on the date of such issuance and sale of Notes. Any remaining proceeds will be applied to the payment of the outstanding Bank Note.

6. Except as provided in paragraph 7 below, payments of principal of and interest on the Notes will be made from (a) proceeds of sales of subsequent issues of Notes and (b) Taxes and other money deposited in the Note Fund from the Current Expense Fund. All Notes will ultimately be funded by Taxes received by the County.

7. To the extent that it does not have other funds available to make such payments of principal and interest when due, the County must issue and sell a Bank Note pursuant to the Credit Agreement.

8. As security for the payment of principal of and interest on the Notes and the performance of any other obligation of the County to the holders of the Notes and Bank Note, the County will pledge all amounts from time to time on deposit in the Note Fund and the Current Expense Fund of the County. The Notes and Bank Note are a general obligation of the County. Except as expressly set forth in the Note Ordinance, no revenues or assets of the County are pledged to the payment of the Notes.



9. The County will deposit in the Note Fund from the sources above mentioned amounts required to pay the principal of and interest on the Notes. It is anticipated that such deposits will be made on the dates such principal and/or interest becomes due and payable and that no interest will be earned on money deposited in the Note Fund. In the event any interest is earned on such money it will be expended within one year from the date of receipt thereof.

10. Except as set forth in paragraph 9, above, the County has not established any fund for the purpose of paying principal of or interest on the Notes, or any "sinking fund" as defined in the Regulations.

11. The County has not been advised of any listing of it by the Commissioner of Internal Revenue as an issuer that may not certify its bonds.

On the basis of the foregoing, it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be "arbitrage bonds" under Section 103 of the Internal Revenue Code and the regulations promulgated thereunder. To the best of my knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_  
day of January, 1984.

---

Robert V. Cowan, Jr., Director  
Office of Finance  
King County, Washington

APPENDIX C

[Form of Certificate of Authorized Officer  
Pursuant to Section 2.5]

I, RANDY REVELLE, the County Executive of King County, Washington (the "County"), certifies that:

(1) The representations and warranties of the County contained in the Tax Anticipation Note Ordinance passed by the County Council on January \_\_\_, 1984 (the "Ordinance"), and in the Dealer Agreement between the County and Merrill Lynch, Pierce, Fenner & Smith, Inc. are true and correct as of this date.

(2) No event of default under the Ordinance has occurred.

(3) The certifications and statements contained in the County's Master Arbitrage Certificate are true, correct and complete with respect to the Notes to be issued by the County this day.

(4) All agreements and covenants to be performed by the County with respect to such Notes have been duly performed.

KING COUNTY, WASHINGTON

By

\_\_\_\_\_  
RANDY REVELLE  
King County Executive

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

January , 1984

Citibank, N.A.  
20 Exchange Place  
New York, NY 10043

Attention: Mr. Frank Todaro, Assistant Vice President

Dear Mr. Todaro:

By this letter Citibank, N.A. (hereinafter "Citibank") is requested to act as Issuing and Paying Agent on behalf of King County (hereinafter "Issuer") in connection with the sale and issuance, from time to time, of Tax Anticipation Notes, 1984 (hereinafter the "Notes"). As Issuing and Paying Agent, you will be governed by the terms and conditions of this Letter Agreement.

For so long as this Letter Agreement is in effect, the Issuer will, from time to time, deliver to Citibank at the above address executed Notes, in bearer form but with the principal amount, amount of interest, date of issue and maturity date left blank. The Notes will bear the manual and facsimile signatures of Authorized Officers of the Issuer, as such terms are defined in Ordinance No. \_\_\_\_\_, authorizing the issuance of the Notes, passed by the Issuer's Council on \_\_\_\_\_, 1984 (hereinafter the "Ordinance"), and you will be furnished with a Signature Certificate and a certified copy of this Letter Agreement and the Ordinance which among other things confirm the title and authority of such persons to execute the Notes and to issue instructions relative to the completion and delivery of the Notes, together with a specimen signature for each Authorized Officer. The Notes will be numbered serially and bear such other identification as the Issuer deems appropriate.

Upon receipt of Notes by you, you will acknowledge the same by returning a receipt to the Issuer, in substantially the form attached hereto as Appendix "A." You will hold all Notes for the Issuer's account in safekeeping. You will advise us, from time to time, of the names of the Designated Persons who are authorized to receipt for, complete and deliver the Notes.

Upon receipt of telephone, electronic wire service, or written instructions from an Authorized Officer, a Designated Person will withdraw the necessary number of Notes from safekeeping and, in accordance with such instructions will:

(a) Complete each Note as to the date, maturity, principal amount and amount of interest;

(b) Authenticate each Note by manually countersigning the same; and

(c) Deliver the Notes to the purchaser thereof, or to the consignee to or for the account of the purchaser thereof, against payment for the Issuer's account as herein provided.

All oral instructions given to a Designated Person for the completion and delivery of the Notes will be confirmed in writing within twenty-four hours (unless instructions shall have been given by electronic wire service, in which event such wire service writing shall itself be considered as written instructions) and Citibank shall incur no liability to Issuer in acting upon telephone instructions which the Designated Person believes in good faith to have been given by an Authorized Officer. Each delivery of the Notes will be subject to the rules of the New York Clearing House in effect at the time of the delivery.

All instructions given by us for the completion and delivery of Notes, whether by telephone or otherwise, are to be directed:

Issuance Department  
Citibank, N.A.  
20 Exchange Place  
New York, New York 10043  
(212) 825-6330 through -6334

The proceeds of the Notes delivered against payment are to be credited to King County's Note Payment Account, set up in advance on your books in the Issuer's name. At maturity, all Notes presented to you for payment are to be paid by you and charged to the same Note Payment Account. Presentment of Notes to you for payment is to be made at: Issuance Department, 20 Exchange Place, New York, New York, 10043. In the event there are insufficient funds in the Note Payment Account, you are instructed to request advances under the Revolving Credit Agreement on behalf of the Issuer.

In the event you are instructed to deliver Notes against payment, the delivery and receipt of payment may not necessarily be completed simultaneously, and you are authorized to follow the prevailing custom, which is to deliver Notes to the purchaser, receive the purchaser's receipt for the delivery and, at a later time but on the same day, after the purchaser has verified the delivery against his Purchase Agreement, to receive payment from the purchaser in immediately available funds.

If payment is made by check, you will be required to pick up the check at the purchaser's office so long as it is not located outside the financial district of Lower Manhattan and, if it is drawn on you, to enter the same for payment in immediately available

funds; provided that the check is not to be paid until purchaser has made available to you immediately available funds to cover the payment, which may not occur until late in the day of delivery.

You will in due course cancel Notes presented for payment and return them to us.

We hereby warrant and represent to you, which will be a continuing warranty and representation, that all Notes delivered to you pursuant to this Letter Agreement are duly authorized and executed as prescribed in the Ordinance, and that your appointment as Issuing and Paying Agent is in accordance with and does not exceed the authority contained in the Ordinance. A copy of the Ordinance has been provided for you.

Upon our request, given at any time and from time to time, you shall promptly provide us such information with respect to the Notes issued and paid hereunder as we may have specified in such request. You and we shall discuss from time to time the extent to which such information is reasonably available and the times at which you can reasonably furnish such information.

It is understood that both parties reserve the right to terminate this Letter Agreement, and the authority granted herein, upon 30 days' written notice, such termination to take effect on the 31st day following service of such written notice by deposit in the U.S. mail, by personal service or by electronic wire service; provided, however, that such termination shall not affect the respective obligations of the parties hereunder with respect to Notes issued, authenticated and delivered prior to such termination. Promptly upon termination of this Letter Agreement you shall cancel and return to us all Notes in your possession at the time of such termination.

The Issuer and you each agree to indemnify the other, its officers, employees and agents and hold the other, its officers, employees and agents harmless from any and all liability, loss, damage, costs and expenses of any nature (including reasonable counsel fees) arising out of or in connection with the performance under this agreement by the Issuer or you or the respective officers, employees or agents except for costs, expenses, fees and liabilities arising out of negligence or willful misconduct. The Issuer further agrees that neither you nor any of your officers, employees and agents shall be liable to the Issuer for any action or omission to act, taken or made pursuant to this Agreement, except for negligence or willful misconduct. This indemnity includes, but is not limited to, any action taken or omitted in good faith within the scope of this Agreement upon telephone instructions, if authorized herein, received from, or believed by you in good faith to have been given by any one of the Authorized Agents of the Issuer.

Payment by the Issuer to Citibank for its services hereunder will be made within twenty days of receipt of billing, which will be no more than once monthly.

Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing or by electronic wire service and shall:

(a) if to us, be addressed to us as follows: Robert V. Cowan, Jr., Director of the Office of Finance, 600 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

(b) if to you, be addressed to you as follows: Frank Todaro, Assistant Vice President, Issuance Department, Citibank, N.A., 20 Exchange Place, New York, New York 10043 or to such other address as the party receiving such notice shall having previously specified to the parties giving such notice.

It is understood that the fee charged by Citibank for its services as Issuing and Paying Agent will be \$13 per Note issued with a minimum monthly fee of \$25.00. These fees will remain in effect until June 30, 1984 and may change upon review by Citibank at that time. It is also understood that this fee will not be charged for any Note which is destroyed as a result of errors made by the Issuing and Paying Agent. The terms of this agreement will remain in effect until January 31, 1985 unless extended upon mutual agreement of Citibank and the Issuer.

If the foregoing is in accordance with your understanding, kindly so indicate by accepting and returning the enclosed copy of this letter.

Sincerely,

KING COUNTY

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

ACCEPTED AND APPROVED:

CITIBANK, N.A.

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

Dated: January , 1984

**COMMERCIAL PAPER NOTES  
DEALER AGREEMENT**

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The purpose of this agreement is to confirm the understanding whereby Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Dealer") will act as dealer with respect to \$21.7 million Tax Anticipation Notes, to be issued by King County, Washington (the "Issuer") under and pursuant to Ordinance No. \_\_\_\_\_ (the "Ordinance") adopted by the King County Council on January \_\_, 1984, for cash flow purposes and pursuant to the Credit Agreement (the "Credit Agreement") referred to in Section 1 hereof and subject to the terms and conditions hereof.

1. The Tax Anticipation Notes (the "Notes") will be issued on and after January \_\_, 1984 (the "Issue Date") in denominations of integral multiples of \$1,000 with a minimum denomination of \$100,000 and will be payable to the bearer and will have maturities not exceeding 270 days from the date of issue and in no event later than January 31, 1985 (the "Termination Date"). The Notes will be issued as interest bearing obligations with interest payable at maturity at a stated percentage rate. The Notes will be substantially in the form set forth in the Ordinance. The Notes will be issued through Citibank, N.A. (the "Issuing Agent") in accordance with the agreement (the "Issuing Agreement") to be entered into between the Issuer and the Issuing Agent as provided in the Ordinance. The Issuer will also enter into a Credit Agreement with The Mitsubishi Bank, Limited, New York Branch (the "Bank"), pursuant to which the Bank will agree to make advances to the Issuer for the purpose of paying the principal of, and interest on, Notes as and when due, subject to the terms and conditions of the Credit Agreement.

2. (a) The Dealer agrees that it will purchase, for the Dealer's account, all Notes issued by the Issuer from time to time during the term of this Agreement, notwithstanding the fact that, at the time of any such purchase, the Dealer is unable to make a market for such Notes at the interest rate or rates no greater than permitted by law and this Agreement. Such purchases shall be at prices and interest rates to be agreed upon between the Issuer and the Dealer at the time of such purchases in light of prevailing market conditions but not less than par. Such obligation to purchase Notes is subject to (i) the Related Documents (as hereinafter defined) being in full force and effect at the time of any such purchase with no event of default existing thereunder; (ii) the representations and warranties contained in Section 7(e) hereof being true and correct on and as of each date on which Notes are to be issued; (iii) the Notes being entitled to a commercial paper rating of not less than P-1 by Moody's Investors Service, Inc.; (iv) there having been no material adverse change in the financial condition of the Issuer or the Bank which has caused the Dealer to withdraw its approval of the credit of the Issuer as an issuer of the Notes provided, however, that this clause (iv) shall be effective only upon

the receipt by the Issuer of written notice of such determination; and (v) the Dealer's ability to find a market for the Notes at par and interest rate or rates no greater than permitted by law and this Agreement. The Dealer shall discuss its credit evaluations with the Issuer at any time as requested by the Issuer or upon the occurrence of any development which may adversely affect such evaluation, and shall notify the Issuer immediately in the event that the Dealer is considering for any reason a decision not to purchase the Notes.

(b) As early as possible, but not later than 9:00 A.M. (New York City time) on each day on which Notes are to be issued, the Dealer, with the Issuer, will develop a set of interest rates for a range of maturities of Notes in accordance with then prevailing market conditions which would result in an offering price which would enable the Dealer to sell the Notes at par. The Dealer shall then solicit purchases of the Notes on such terms and conditions. As early as possible, but no later than 12:15 P.M. (New York City time) on the day on which Notes are to be issued, the Dealer and the Issuer will agree upon a final scale of interest rates and maturities, which interest rates shall not exceed the maximum allowable by law, at which the Dealer shall purchase the Notes.

(c) The Dealer is hereby authorized to sell the Notes from time to time with the consent of the Issuer in retail lots of \$500,000 or less at reoffering prices to be mutually agreed upon at such time.

3. Unless earlier terminated as herein provided, this Agreement shall be in effect from the date of this letter to the Termination Date.

4. If the Dealer, pursuant to paragraph 2 hereof, does not at any time purchase or arrange for the sale of Notes on behalf of the Issuer or gives to the Issuer the notice specified in the last sentence of subparagraph(a) of paragraph 2, the Issuer may, by written notice to the Dealer, immediately terminate this Agreement.

5. The Issuer agrees that, while this Agreement is in effect, the Dealer shall be exclusive dealer of the Notes.

6. The Dealer shall pay for the Notes purchased hereunder in immediately available funds on the business day on which such Notes, executed, authenticated and delivered in a manner satisfactory to the Dealer, are delivered to the Dealer.

7. (a) The Issuer agrees to furnish the Dealer such information relating to the Issuer as the Dealer may reasonably request to prepare the Offering Memorandum, dated January \_\_, 1984, and such additional documents and material as the Dealer may reasonably request from time to time for use in connection with the offering of the Notes (the "Required Material").



(b) As promptly as practicable following, but in no event later than 180 days after January 1, 1984, the Issuer shall furnish to the Dealer the annual audited financial statements of the Issuer for fiscal year 1983. In addition, the Issuer will furnish the Dealer with the following as soon as they are available: (1) any unaudited financial statements of the Issuer, (2) the proposed and adopted budget of the Issuer, and (3) any other material relating to the Issuer reasonably requested by the Dealer.

(c) If, during or prior to such time as the Offering Memorandum, or Required Material in connection therewith, is used in connection with the offering and sale of the Notes, any event shall occur or condition shall exist relating to or affecting the Issuer, the Related Documents, as hereinafter defined, or the Notes, which has a reasonable likelihood of having a material adverse affect on the operations, financial or other conditions or results of operations of the Issuer, the interest of holders of the Notes, or which might affect the accuracy of any statement of a material fact contained in the Offering Memorandum, or any Required Materials, the Issuer, to the extent it has knowledge of such event or condition, will promptly notify the Dealer of the circumstances and details of such event or condition. If, as a result of such event or condition, or any other event or condition as determined by the Dealer, it is necessary or advisable, in the opinion of the Dealer to amend or supplement such Offering Memorandum or Required Material in light of such event or condition or other event or condition, the Issuer shall forthwith cooperate with the Dealer in the prompt preparation of a supplement to such Offering Memorandum or Required Material which supplement shall be in form and substance satisfactory to the Dealer.

(d) The Issuer hereby confirms to the Dealer the representations and warranties made by the Issuer in the Credit Agreement, all of which, for such purpose, are hereby incorporated by such reference.

(e) The Issuer, by its acceptance hereof, represents, warrants, covenants and agrees as of the date of execution hereof, with the Dealer as follows:

(i) The Issuer is a political subdivision duly organized and operating pursuant to the laws of the State of Washington and has all necessary power and authority to issue, sell and deliver the Notes, to adopt the Ordinance and to authorize the execution of this Dealer Agreement, the Credit Agreement, and the Issuing and Paying Agent Agreement substantially in the form attached as an exhibit to the Ordinance and, when executed and delivered by the respective parties thereto, the Ordinance, the Dealer Agreement, the Credit Agreement, and the Issuing and Paying Agent Agreement (collectively, the "Related Documents") will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as they may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar

laws affecting the enforcement of creditors' rights generally and subject to general principles of equity in the event equitable remedies are sought and by the exercise of judicial discretion.

(ii) Any information furnished by the Issuer pursuant to Section 7(a) or 7(b) hereof will be true and correct in all material respects or will present such information in a fair and accurate fashion when so furnished.

(iii) The Issuer has, on or before the date hereof, duly taken all action required to be taken by it for the adoption and performance of the Ordinance, the execution, delivery and performance of the Related Documents, and any other instruments or agreements to which the Issuer is a party and which have been or are to be executed in connection with the transactions contemplated by the foregoing; and the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Ordinance. On or before the date on which any Notes are issued, the Issuer will have duly taken all action required to be taken by it or on its behalf prior to such date for the offering, issuance, sale and delivery of such Notes upon the terms set forth herein and in the Ordinance.

(iv) The Notes, upon execution by the Issuer as provided in the Ordinance, authentication and delivery by the Issuing Agent and receipt of payment therefor by or on behalf of the Issuer, will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as they may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally and by the exercise of judicial discretion.

(v) The issuance of the Notes, the adoption of the Ordinance, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under the Issuer's duties under the Notes, the Ordinance or any of the Related Documents, the execution and delivery of the Related Documents or any existing law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the Issuer is subject by which it is bound.

(vi) (aa) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or governmental authority or regulatory body to the knowledge of the Issuer pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect the validity of Chapter 216, Laws of 1982 of the State of Washington or the validity or enforceability of, or the authority, powers or ability of the Issuer to perform or enter into the obligations under, the Notes, the Related Documents or any agreement or instrument to which the Issuer is a party and

which has been or is to be executed by the foregoing or which could restrain or enjoin the sale, issuance or delivery of the Notes.

(bb) The Issuer represents, warrants, covenants and agrees that: (i) it will furnish the Dealer with copies of all official notices it receives of any action, suit, proceeding, inquiry or investigation which involve the Issuer, at law or in equity, before or by any court, public branch or public body of the nature and type contemplated by (aa) of this subparagraph; (ii) it will furnish the Dealer with a description of any of such actions described in subsection (i) of this subparagraph which, in the knowledge of an officer of the Issuer, has been threatened against the Issuer; and (iii) it will inform the Dealer of the progress and content of any such actions described in subsection (i) of this subparagraph.

(vii) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(viii) Except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the Issuer required for the issuance and sale of the Notes or the consummation by the Issuer of the other transactions contemplated by the Related Documents.

(ix) The Issuer agrees to cooperate with the Dealer in endeavoring to qualify the Notes for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Dealer may request; provided, however, that the Issuer will not be required to execute a special or general consent to service of process or qualify to do business in connection with any such qualification in any jurisdiction; and provided further, however, that the Issuer is not responsible for compliance with or the consequences of failure to comply with applicable blue sky or other securities laws and regulations.

(x) The Issuer shall immediately notify the Dealer by telephone, confirmed in writing, of (aa) the occurrence or existence of any event or condition which becomes known to the Issuer and which would make any of its representations contained herein or incorporated herein by reference incorrect or untrue in any material respect if made on and as of any day during the term of this Agreement, (bb) any reduction or termination of the commitment of the Bank under the Credit Agreement known to the Issuer, (cc) any resignation or removal of, and appointment of a successor for, the Issuing Agent, and (dd) the occurrence of any event or circumstance which, in the

sole judgment of the Issuer, may result in interest on the Notes being subject to Federal income taxation.

(xi) On or prior to the fifteenth day after notice to the Issuer from the Dealer requesting that an opinion or opinions rendered at the first Closing Date be reaffirmed, the Issuer shall cause to be delivered to the Dealer, opinions dated the date of delivery, from counsel stating that such opinion or opinions, as rendered at closing, are correct and are reaffirmed in their entirety as of the date of delivery of the newly requested opinion.

(xii) The Related Documents will not be amended without the consent of the Dealer, which consent will not be unreasonably withheld.

(xiii) Any certificate authorized by resolution of the Issuer, signed by an Authorized Officer or Officers and delivered to the Dealer, shall be deemed a representation by the Issuer to the Dealer as to the statements made therein.

8. (a) The obligations of the Dealer under this Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and the compliance with the respective representations, warranties, covenants and agreements of the Issuer made or contained herein, in each case on and as of the date of delivery of this Agreement and on and as of each date on which Notes are to be issued (each such date, a "Closing Date").

(b) The obligations of the Dealer hereunder with respect to each Closing Date are also subject to the following further conditions precedent:

(i) there shall be in full force and effect such additional ordinances, agreements and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of interest on the Notes), which ordinances, agreements and certificates shall be satisfactory in form and substance to Preston, Thorgrimson, Ellis & Holman, Seattle, Washington, Bond Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of such Counsel, be necessary in connection with the transactions contemplated hereby or by any of the foregoing documents;

(ii) all action required for the due authentication and delivery of the Notes on such Closing Date prescribed by the Ordinance shall have been taken; and

(iii) at or prior to each Closing Date, the Dealer shall have received, to the extent reasonably requested,

evidence satisfactory to it of the satisfaction of all conditions precedent to its obligations under this Dealer Agreement.

(c) In addition, the obligations of the Dealer hereunder with respect to the first Closing Date are subject to the further conditions precedent that at or prior to the first Closing Date, the Dealer shall have received the following:

(i) executed copies of the Related Documents;

(ii) an opinion, dated as of such date, of Preston, Thorgrimson, Ellis & Holman, bond counsel to the Issuer, in form and substance satisfactory to the Dealer;

(iii) an opinion, dated as of such date, of Norm Maleng, King County Prosecuting Attorney, counsel to the Issuer, or his Chief Civil Deputy, in form and substance shown in Exhibit A attached hereto; and

(iv) an opinion, dated as of such date, of Counsel to the Bank in form and substance satisfactory to the Dealer and Bond Counsel.

(d) Each issuance of Notes by the Issuer shall in and of itself be deemed to, and shall, constitute a representation by the Issuer to the Dealer that the conditions set forth in paragraphs (a) and (b) above have been satisfied, that the opinions referred to in subsections c(ii) and c(iii) of this section have not been modified or withdrawn and that the representations of the Issuer contained herein are true and correct on such date with the same effect as if made on such date, without any further action or writing on the part of the Issuer to the Dealer or any other person.

9. (a) This Agreement shall be for a term beginning on the date hereof and ending on January 26, 1985 (the "Termination Date"), and may be cancelled by the Issuer or by the Dealer without cause prior to such date, upon the giving of 30-days' prior written notice. Notwithstanding the foregoing, however, any party hereto may terminate its obligations hereunder at any time by notifying the other parties hereto by telephone confirmed in writing of its election to do so if:

(i) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or legislation shall be enacted by, the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States and introduced in the House of Representatives, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered or a ruling, regulation or order of the Treasury Department of the United

States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing Federal income taxation, or any other event shall have occurred which results in the imposition of Federal income taxation, upon revenues or other income of the general character to be derived by the Issuer (or by any similar body) or upon interest received on obligations of the general character of the Notes; or

(ii) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or legislation shall be enacted by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States and introduced in the House of Representatives or the Senate, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or other Federal or state governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Notes, as contemplated hereby, is or would be in violation of any provision of the laws of the United States, or of the State of Washington or of the State of New York, as amended and as in effect, or with the purpose or effect of otherwise prohibiting the offering, issuance or sale of obligations of the general character of the Notes, or the Notes, as contemplated hereby, by the Dealer or Issuer as the case may be.

(b) In addition, the Dealer may terminate its obligations hereunder at any time by notifying the Issuer of its election to terminate if:

(i) any legislation, resolution, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the United States or in the States of Washington or New York, or a decision by any court of competent jurisdiction or arbitration within the United States or within the States of Washington or New York shall be rendered which would adversely affect the marketing of the Notes held by Dealer;

(ii) any governmental authority of a controlling jurisdiction shall impose, as to the Notes, or obligations of the general character of the Notes, any material restrictions not in force as of the date hereof, or increase materially those in force as of the date hereof;

(iii) a general banking moratorium shall have been established by Federal, New York or Washington authorities;

(iv) any rating of the Notes by a national rating service shall have been downgraded or withdrawn;

(v) additional material restrictions not in force as of the date hereof shall (aa) have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (bb) affect the marketing or sale of the Notes;

(vi) an Event of Default shall have occurred under, and as defined in, the Ordinance or Credit Agreement except that with respect to any event of default involving the failure to perform under Subsection 4.01(c) of the Credit Agreement the remedy period will be 25 days;

(vii) the Bank has advised the Issuer that the Credit Agreement will not be available to secure subsequent issues of Notes;

(viii) an interruption in the functioning of the overnight call money market in which financial dealers must borrow to finance their inventories of short-term securities or the occurrence of any event that would materially impair the ability of the Dealer in its judgment to finance the purchase of the Notes through loans in the overnight call money market;

and, in each case other than those cases set forth in (v) and (vii) above, in the Dealer's reasonable opinion, such event materially adversely affects the marketability of the Notes.

(c) The Dealer hereby agrees to use its best efforts to notify the Issuer of any impending development, of which the Dealer has knowledge with respect to the matters contained in this Section 9.

10. In consideration of the services to be performed by the Dealer hereunder, the Issuer and the Dealer agree that the Dealer will be compensated by the Issuer for each Note sold by the Dealer hereunder during the billing period in the amount of the product of (i) 0.00125 divided by 365, (ii) the principal of such Note, and (iii) the number of days to maturity of such Note. It is understood and agreed that payment of such fee shall be made by the Issuer quarterly upon receipt of an invoice therefor from the Dealer.

11. The Dealer agrees that it will mail a confirming notice to the Issuer within one business day following each purchase of Notes from the Issuer and will supply to the Issuer quarterly summaries of its transactions regarding the Notes.

12. Any notice or other communication to be given under this Agreement shall be given by mailing or delivering the same in writing

(a) if to the Issuer, to

Robert V. Cowan, Jr.  
Director of Finance  
600 King County Administration Building  
500 Fourth Avenue  
Seattle, Washington 98104

(b) if to the Dealer, to

Joan Egan and Judith Sinche  
Merrill Lynch Capital Markets  
One Liberty Plaza  
165 Broadway - 43rd Floor  
New York, New York 10080  
Attention: Short-Term Finance Unit

or to such other address as either party shall advise the other in writing.

13. (a) This Agreement shall inure to the benefit of and be binding upon the Issuer and the Dealer, their respective successors and assigns, but shall not confer any rights upon any other person, partnership, association or corporation. No assignment of this Agreement may be made by either party hereto without the written consent of the other party to this Agreement. The terms "successors" and "assigns" shall not include any purchaser of any of the Notes merely because of such purchase.

(b) The Issuer shall furnish the Dealer with a certificate setting forth the names and specimen signatures of the officers or employees of the Issuer authorized to give instructions or approve transactions hereunder and the Dealer shall act hereunder only upon instructions of an Authorized Officer of the Issuer. The Dealer shall be entitled to rely for all purposes hereunder on instructions given by an Authorized Officer of the Issuer named in the most recent certificate delivered to the Dealer by the Issuer.

(c) All of the representations of the Issuer in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer; or (ii) delivery of and any payment for any Notes hereunder.

(d) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.



Executed as of the \_\_\_\_\_ date of January \_\_, 1984

KING COUNTY

By \_\_\_\_\_

Name: Randy Revelle  
Title: King County Executive

Address: c/o Office of Finance  
600 King County Administration Building  
500 Fourth Avenue  
Seattle, Washington 98104

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By \_\_\_\_\_

Name: Joan Egan  
Title: Vice President

Address: One Liberty Plaza  
165 Broadway - 43rd Floor  
New York, New York 10080  
Attention: Short Term Finance Unit

REVOLVING CREDIT AGREEMENT

Dated as of \_\_\_\_\_, 1984

King County, Washington, a political subdivision of the State of Washington (the "Borrower"), and The Mitsubishi Bank, Limited New York Branch (the "Bank") agree as follows:

PRELIMINARY STATEMENT. The Borrower wishes to obtain Advances (as defined below) in an aggregate amount not to exceed \$ \_\_\_\_\_ at any time outstanding, on the terms and conditions set forth in this Agreement, for the purpose of the payment of principal of and interest, if any, on the Borrower's General Obligation Tax Anticipation Notes (the "Notes") issued under authority granted by the King County Council in Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 1984 (the "Note Ordinance") and to be issued pursuant to an Issuing and Paying Agency Agreement between the Borrower and Citibank, N.A. ("Citibank") (the "Agency Agreement") and to be presented for payment to Citibank, as paying agent for the Borrower (the "Paying Agent") under the Agency Agreement. The Bank has agreed to make such Advances to the Borrower on such terms and conditions.

ARTICLE I

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 1.01. The Advances. The Bank agrees, on the terms and conditions hereinafter set forth, to make advances ("Advances") to the Borrower from time to time during the period from the date hereof to and including January 25, 1985 (the "Termination Date") in an aggregate amount not to exceed at any time outstanding \$ \_\_\_\_\_ (the "Commitment"). Within the limits of the Commitment, the Borrower may borrow, prepay pursuant to Section 1.06 and reborrow under this Section 1.01.

SECTION 1.02. Making the Advances. Advances may be requested hereunder by the Paying Agent on behalf of the Borrower if payment at maturity of the principal of and interest, if any, on any Note that has been issued in accordance with the terms of the Agency Agreement would create an overdraft in the Note Payment Account (as defined below). Each such borrowing (a "Borrowing") shall be in an amount equal to the overdraft which would otherwise be created in

the Note Payment Account on account of such payment. Each Borrowing shall be requested by notice in writing, by telex or by telephone (promptly confirmed in writing or by telex) from the Borrower to the Bank specifying the date and amount thereof. Such notice must be received by the Bank no later than noon, New York City time. Not later than 1:30 P.M., New York City time, on the date of such Borrowing, the Bank shall make available to the Paying Agent at its address referred to in Section 7.02, in same day funds, such Advance.

SECTION 1.03. Commitment Fee. The Borrower agrees to pay to the Bank a commitment fee on the Commitment from \_\_\_\_\_, 1984 until the Termination Date at the rate of 1/16 of 1% per annum, payable on the date of the execution hereof; provided, that in the event that the Commitment is at any time reduced pursuant to Section 1.04 the Bank shall repay to the Borrower a ratable portion of the commitment fee.

SECTION 1.04. Reduction of the Commitment. The Borrower shall have the right, upon at least five Business Days notice to the Bank, to terminate in whole or in part the unused portion of the Commitment, provided that each partial reduction shall be in the aggregate amount of \$500,000 or an integral multiple thereof, and, provided, further, that the Commitment shall not be reduced below the aggregate principal amount of Notes issued and outstanding and interest to accrue on such Notes to their maturity.

SECTION 1.05. Interest and Repayment. The Borrower shall repay, and shall pay interest on, the aggregate unpaid principal amount of all Advances made by the Bank in accordance with a promissory note of the Borrower to the order of the Bank, in substantially the form of Exhibit A hereto (the "Bank Note"), evidencing the indebtedness resulting from such Advances and delivered to the Bank pursuant to Article II.

Each Advance shall mature and be payable six months after the date of such Advance and shall bear interest on the unpaid principal amount thereof from the date of such Advance until such Advance is paid in full, payable monthly on the first day of each calendar month during the term of such Advance and on the date when such Advance becomes due at a fluctuating interest rate per annum equal to the rate of interest announced publicly by the Bank in New York, New York from time to time as the Bank's prime rate (the "Prime Rate"). Each change in the fluctuating interest rate

hereunder shall take effect simultaneously with the corresponding change in the Prime Rate.

SECTION 1.06. Optional Prepayment. The Borrower may, upon at least five Business Days notice to the Bank, prepay the Bank Note in whole or in part with accrued interest to the date of such prepayment on the amount prepaid, provided that each partial prepayment shall be in an aggregate principal amount not less than \$500,000 and shall be an integral multiple of \$100,000.

SECTION 1.07. Payments and Computations. The Borrower shall make each payment under this Agreement and the Bank Note (collectively, the "Loan Documents") not later than 12:00 noon (New York City time) on the day when due in lawful money of the United States of America to the Bank at its address referred to in Section 7.02 in same day funds. The Borrower hereby authorizes the Bank, if and to the extent payment owed to the Bank is not made when due under any Loan Document, to charge from time to time against any unrestricted account of the Borrower with the Bank any amount so due. All computations of interest under the Bank Note and of the commitment fee hereunder shall be made by the Bank on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed.

SECTION 1.08. Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Bank Note shall be stated to be due on a Saturday, Sunday or a public or bank holiday or the equivalent for banks generally under the laws of the State of New York (any other day being "Business Day"), such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

## ARTICLE II

### CONDITIONS OF LENDING

SECTION 2.01. Condition Precedent to Initial Advances. The obligation of the Bank to make the initial Advance is subject to the condition precedent that the Bank shall have received on or before the day of the initial Borrowing the following, each dated the day of delivery

thereof, in form and substance reasonably satisfactory to the Bank:

(a) The Bank Note.

(b) Evidence of the adoption and continued effectiveness of the Note Ordinance and that such other actions necessary or, in the opinion of the Bank, desirable (i) to provide for the Bank Note being a direct and general obligation of the Borrower and the pledging of the full faith and credit of the Borrower to the payment of the Bank Note and (ii) to create a valid and binding claim of the Bank on all taxes levied and collected by the Borrower without a vote of the Borrower's electors (the "Tax Claim") have been taken.

(c) Evidence of the adoption and continued effectiveness of an ordinance or ordinances demonstrating that the Borrower has covenanted to include in its annual budget, and to make annual levies of taxes on all taxable property within the Borrower (within and as part of the property taxes authorized by the Borrower by law) in amounts, together with any other money of the Borrower available for such purposes, sufficient to pay the principal of and interest on the obligations as the same shall become due.

(d) Certified copies of the ordinances of the Borrower in effect at the time of delivery thereof approving each Loan Document and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to each Loan Document.

(e) A certificate of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign each Loan Document and the other documents to be delivered by it hereunder.

(f) A favorable opinion of Messrs. Preston, Thorgrimson, Ellis & Holman, bond counsel for the Borrower, that, under existing law, interest on the Notes and the Bank Note is and will be exempt from Federal income taxation, as to the Tax Claim being a valid and binding claim, as to the matters referred to in Section 3.01 hereof (except subsections (g), (h) and (i) thereof) and as to such other matters as the Bank may reasonably request including a separate non-arbitrage

opinion based on a separate non-arbitrage certificate provided by the Borrower.

(g) A favorable opinion of the Prosecuting Attorney of the Borrower, as to the matters referred to in Section 3.01(h) hereof.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

SECTION 3.01. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Bank as follows:

(a) The Borrower is a political subdivision of the State of Washington validly existing and in good standing under the Constitution and laws of the State of Washington, including but not limited to Title 36 of the Revised Code of Washington.

(b) The Notes are, and the Bank Note will be, valid and legally binding direct and general obligations of the Borrower, for the payment of which, in accordance with their terms, the full faith and credit of the Borrower is pledged. The Notes are and the Bank Note will be issued in conformity with the applicable provisions of the Note Ordinance, the Agency Agreement, this Agreement and the Dealer Agreement dated as of *January*, 1984 between the Borrower and Merrill Lynch Capital Markets. *Pierce, Fenner, & Smith Incorporated.*

(c) The Borrower has, and its officers acting on its behalf have, full legal authority to execute and deliver and to engage in the transactions contemplated by this Agreement; the execution, delivery and performance by the Borrower of each Loan Document are within the Borrower's powers, have been duly authorized by all necessary action, do not and will not contravene, violate, conflict with or result in a breach of any of the terms, conditions or provisions of the Constitution and laws of the State of Washington, including but not limited to Title 36 of the Revised Code of Washington or the charter, ordinances and resolutions of the Borrower, any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any agreement or instrument to which the Borrower is a party or by which it or its properties are bound or affected, or

constitute a default thereunder, and do not result in or require the creation of any lien, security interest or other charge or encumbrance (other than pursuant hereto) upon or with respect to any of its properties.

(d) The Borrower is not a party to or bound by any agreement or instrument or subject to any charter or other restriction or judgment, order, writ, injunction, decree, law, rule, regulation, determination or award that may materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement.

(e) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of the Loan Documents.

(f) This Agreement is a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The balance sheets of the Borrower as at December 31, 1982, and the related statements of income, expense and fund balance of the Borrower for the fiscal year then ended, and the unaudited balance sheets of the Borrower as at June 30, 1983 and the related unaudited statements of income and retained earnings for the six months then ended, copies of which have been furnished to the Bank, fairly present the financial condition of the Borrower as at such dates and the results of the operations of the Borrower for the period ended on such dates, all in accordance with generally accepted accounting principles consistently applied, and since June 30, 1983 there has been no material adverse change in such condition or operations.

(h) There is no pending or, to the best of the Borrower's knowledge, threatened action or proceeding affecting the Borrower before any court, governmental agency or arbitrator which has a reasonable likelihood of having a material adverse effect on the existence or powers of the Borrower or its financial condition or operations.

(i) No proceeds of any Advance will be used to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934, as amended.

(j) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

#### ARTICLE IV

#### COVENANTS OF THE BORROWER

SECTION 4.01. Covenants. So long as the Bank Note shall remain unpaid or the Bank shall have any Commitment hereunder, the Borrower will, unless the Bank shall otherwise consent in writing:

(a) Use of Proceeds. Use the proceeds of each Advance hereunder solely for the purpose of payment of matured Notes presented to the Paying Agent for payment.

(b) Compliance with Laws, Etc. Comply in all material respects with all relevant laws, rules, regulations and orders, such compliance to include without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith.

(c) Reporting Requirements. Furnish to the Bank:  
(i) as soon as available and in any event within 45 days after the end of the first six month period of each fiscal year of the Borrower, a semi-annual unaudited Current Expense Fund statement of the Borrower as of the end of such period, certified by the Director of the Office of Finance of the Borrower; (ii) as soon as available and in any event within 180 days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower, containing financial statements for such year certified by the Director of the Office of Finance of the Borrower; (iii)



as soon as available, a copy of the annual report described in (ii) above, certified in a manner acceptable to the Bank by the Washington State Auditor or other independent public accountants acceptable to the Bank; (iv) as soon as available, monthly cash flow statements; and (v) such other information respecting the condition or operations, financial or otherwise, of the Borrower as the Bank may from time to time reasonably request.

(d) Debt. Not create or suffer to exist any Debt which exceeds the constitutional, statutory and charter limits to which the Borrower is subject. "Debt" means (i) indebtedness for borrowed money or for the deferred purchase price of property or services, (ii) obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, or, in accordance with applicable Washington State law, must be counted as debt of the Borrower and (iii) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clause (i) or (ii) above. Debt shall not include any unlimited ad valorem tax obligations.

(e) Tax Claim. Maintain a valid and binding claim in favor of the Bank for the payment of the Bank Note on all taxes levied and collected by the Borrower without a vote of the Borrower's electors.

(f) Issuance of Notes. Not issue or cause the Paying Agent to issue any Note that has a maturity date later than the Termination Date.

## ARTICLE V

### EVENTS OF DEFAULT

SECTION 5.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any installment of principal of, or interest on, the Bank Note when due; or

(b) Any representation or warranty made by the Borrower (or any of its officers) under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) The Borrower shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed and any such failure shall remain unremedied for 10 days after written notice thereof shall have been given to the Borrower by the Bank; or

(d) The Borrower shall fail to pay any Debt (as defined in Section 4.01(d), but excluding Debt evidenced by the Bank Note), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other default under any agreement or instrument relating to any such Debt, or any other event shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(e) The valid and binding Tax Claim shall, for any reason, cease to exist; or

(f) Any event of default under the Note Ordinance; or

(g) The Borrower shall have sold, leased, transferred or otherwise disposed of all or any substantial part of its assets, which would result in impairing the Borrower's ability to pay the Notes and the Bank Note when due; or

(h) Interest on obligations of the Borrower for borrowed money shall cease to be exempt from taxation under the Internal Revenue Code of 1954, as amended and in effect at the time of reference thereto or under any subsequent law of the United States enacted in lieu thereof; or

(i) In the reasonable opinion of the Bank there has occurred a material adverse change in the financial condition or operations of the Borrower which would materially impair its ability to market the Notes at a reasonable interest cost;

then, and in any such event, the Bank may, by notice to the Borrower, (i) declare the obligation of the Bank to make Advances to be terminated, whereupon the same shall forthwith terminate; provided, however, that if any Notes shall be outstanding, the obligation of the Bank to make Advances hereunder to fund the repayment of such Notes shall not terminate until such Notes have been paid in full, and (ii) declare the Bank Note, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Bank Note, all such interest and all amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower.

## ARTICLE VI

### NOTE PAYMENT ACCOUNT

SECTION 6.01. Note Payment Account. The Borrower has established a special non-interest-bearing account (the "Note Payment Account"), with the Paying Agent at its office at 20 Exchange Place, New York, New York, in the name of the Borrower, but under the sole control and dominion of the Paying Agent (except as otherwise provided in Section 6.03) and subject to the terms of this Agreement.

SECTION 6.02. No Security Interest. Notwithstanding any other provision contained herein, it is not intended that, nor shall, this Agreement create any security interest in, lien on, or pledge of the Note Payment Account or any amounts held therein, in favor of the holders of Notes, the Paying Agent, the Bank or any other Person.

SECTION 6.03. Maintaining the Note Payment Account. So long as the Bank shall have any Commitment or the Bank Note shall remain unpaid:

(a) The Borrower will maintain the Note Payment Account with the Paying Agent, and the Borrower will cause to be deposited therein, in

accordance with the terms of the Agency Agreement, the proceeds of all sales of Notes and may from time to time deposit, or cause to be deposited, therein such additional amounts as the Borrower in its discretion may determine for the purpose of paying the obligations of the Borrower referred to in clauses (i) and (ii) of subsection 6.03(c).

(b) The Borrower hereby covenants and agrees that it will deposit in the Note Payment Account (i) the proceeds of the sale of subsequent issues of Notes pursuant to Section \_\_\_\_\_ of the Note Ordinance, (ii) by January 25, 1985, sufficient taxes received by the Borrower and other money available to pay the principal of and retire all of the outstanding Notes at their maturity and (iii) at the time received, the proceeds of the sale of any Bank Notes.

(c) It is and shall be a term and condition of the Note Payment Account, notwithstanding any term or condition to the contrary in any other agreement relating to the Note Payment Account, that the funds in the Note Payment Account may be withdrawn only by (i) the Paying Agent on behalf of holders of Notes in such amounts and at such times as are necessary to pay Notes as they mature, (ii) the Bank in such amounts and at such times as are required to pay any obligations of the Borrower under this Agreement or the Bank Note as such obligations become due and payable, and (iii) the Borrower, at any time when no withdrawals under the preceding clause (i) or (ii) may be made and when no Event of Default, or event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, in an amount equal to the excess of the credit balance in the Note Payment Account over the aggregate outstanding principal amount of and accrued interest on all matured but unpaid Notes.

The Note Payment Account shall be subject to such applicable laws, and such applicable regulations of the Board of Governors of the Federal Reserve System and of any other appropriate United States banking or governmental authority, as may now or hereafter be in effect.

SECTION 6.04. Transfers and Other Liens. The Borrower agrees that it will not (i) sell or otherwise dispose of any interest in the Note Payment Account or any funds held therein except as provided herein, or (ii) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any interest in the Note Payment Account or any funds held therein.

SECTION 6.05. Application of Funds Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Borrower shall have no right to withdraw any funds in the Note Payment Account, and such funds shall, without the requirement of notice to the Borrower except as required by law, be applied to payment of obligations of the Borrower (all such obligations of the Borrower being the "Obligations") in the following priority: first, the payment of all obligations of the Borrower now or hereafter existing in respect of principal of and interest on the Notes; second, the payment of all other obligations of the Borrower now or hereafter existing in respect of principal of and interest on the Bank Note; and third, the payment of all other obligations of the Borrower now or hereafter existing under the Loan Documents whether for fees, expenses or otherwise.

SECTION 6.06. Return of Funds. Upon the payment in full (after the Termination Date) of the Obligations, the Paying Agent shall return such funds remaining in the Note Payment Account as shall not have been applied pursuant to the terms hereof, to the Borrower or whosoever shall be legally entitled thereto.

## ARTICLE VII

### MISCELLANEOUS

SECTION 7.01. Amendments, Etc. No amendment or waiver of any provisions of any Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing or by telephone, confirmed in writing, (including telex and telecopy communication) and mailed, telexed or telecopied or delivered, if to the Borrower, at its address at 600 King

County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104, Attention: Robert V. Cowan, Jr., Director of the Office of Finance; Telephone: (206) 344-2626, and if to the Bank, at its address at One World Trade Center, Suite 8527, New York, New York 10048, Attention: International Finance Department; Telex: 129 220 WU BISHIBANKA NYK.; Telephone: (212) 524-7044 or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall be effective when received. All payments to be made to the Paying Agent hereunder shall be made to its office at 20 Exchange Place, New York, New York Telex: \_\_\_\_\_, Telecopy: \_\_\_\_\_, or such other address as the Paying Agent shall designate in a written notice to the Bank and the Borrower.

SECTION 7.03. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law.

SECTION 7.04. Accounting Terms. All accounting terms not specifically defined herein shall be constructed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated herein.

SECTION 7.05. Costs, Expenses and Taxes. The Borrower agrees to pay on demand all costs and expenses in connection with the enforcement of the Loan Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank and local counsel who may be retained by said counsel, with respect thereto and with respect to advising the Bank as to their rights and responsibilities under the Loan Documents. In addition, the Borrower shall pay all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of the Loan Documents and the other documents to be delivered under the Loan Documents, and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 7.06. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the declaration of the Bank Note to be due and

payable pursuant to the provisions of Section 5.01, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time and demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Bank Note, irrespective of whether or not the Bank shall have made any demand under this Agreement and the Bank Note and although such obligations may be unma-tured. The Bank agrees promptly to notify the Borrower after any such set-off and application made by the Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

SECTION 7.07. Binding Effect; Governing Law. This Agreement shall become effective when it shall have been executed by the Borrower and the Bank and thereafter shall be binding upon and inure to the benefit of the Borrower and the Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank. This Agreement and the Bank Note shall be governed by, and construed in accordance with the laws of the State of Washington.

SECTION 7.08. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as to the date first above writ-ten.

KING COUNTY, WASHINGTON

By \_\_\_\_\_  
Name: Randy Revelle  
Title: King County Executive

Address: c/o Office of Finance  
600 King County

Administration  
Building  
500 Fourth Avenue  
Seattle, Washington  
98104

THE MITSUBISHI BANK, LIMITED  
New York Branch

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

Address: One World Trade Center  
Suite 8527  
New York, New York 10048  
Attention: International Finance  
Department  
Telex: 129220 WU  
BISHIBANKA NYK.



EXHIBIT A  
PROMISSORY NOTE

\$

Dated: \_\_\_\_\_, 1984

FOR VALUE RECEIVED, the undersigned, KING COUNTY, WASHINGTON, a political subdivision of the State of Washington (the "Borrower"), HEREBY PROMISES TO PAY to the order of The Mitsubishi Bank, Limited New York Branch (the "Bank") the principal sum of \_\_\_\_\_ Dollars (\$) or, if less, the aggregate unpaid principal amount of all Advances made by the Bank to the Borrower pursuant to the Credit Agreement (as hereinafter defined) outstanding from time to time, each such Advance to be paid six months after the date of such Advance; together with interest on any and all principal amounts remaining unpaid hereunder from time to time outstanding from the date hereof until said principal amounts are paid in full, payable monthly on the first day of each calendar month during the term hereof and on the final day when the respective principal amount of each Advance becomes due, at a fluctuating interest rate per annum equal to the rate of interest announced publicly by the Bank in New York, New York, from time to time as the Bank's prime rate (the "Prime Rate"). Each change in the fluctuating interest rate hereunder shall take effect simultaneously with the corresponding change in the Prime Rate. All computations of interest shall be made on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed.

Both principal and interest are payable in lawful money of the United States of America to the Bank at One World Trade Center, Suite 8527, New York, New York 10048 via CHIPS ABA 966, in same day funds. All Advances made by the Bank to the Borrower pursuant to the Credit Agreement and all payments made on account of principal hereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the grid attached hereto which is part of this Promissory Bank Note.

This Promissory Bank Note is the Bank Note referred to in, and is entitled to the benefits of, the Credit Agreement dated as of \_\_\_\_\_, 1984 (the "Credit Agreement") between the Borrower and the Bank and constitutes a direct and general obligation of the Borrower, for the payment of

which the full faith and credit of the Borrower is pledged. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

KING COUNTY, WASHINGTON

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



APPENDIX G

CERTIFICATE RE AUTHORIZED OFFICERS AND SIGNATURES

I, ROBERT V. COWAN, JR., Director, Office of Finance, King County, Washington, on behalf of the County, certify that the following signatures are the true and correct signatures of the authorized officers identified under each respective signature:

\_\_\_\_\_  
RANDY REVELLE  
King County Executive

\_\_\_\_\_  
HARRY C. THOMAS  
Deputy County Executive

\_\_\_\_\_  
ROBERT V. COWAN, JR., Director  
Office of Finance

\_\_\_\_\_  
D. LEE DEDRICK, Finance Manager  
Office of Finance

\_\_\_\_\_  
LARRY RUSSELL, Cash Management  
Section Supervisor  
Office of Finance

\_\_\_\_\_  
KAY JACKSON, Investment  
Specialist, Office of Finance

DATED at Seattle, Washington, this \_\_\_\_ day of January, 1984.

\_\_\_\_\_  
ROBERT V. COWAN, JR., Director  
Office of Finance  
King County, Washington