

KING COUNTY, WASHINGTON

ORDINANCE NO. 6303

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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 \$19,200,000 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; autho-
16 rizing the continuing issuance and delivery of addi-
17 tional notes refunding outstanding notes; and
18 declaring an emergency.

PREAMBLE:

19 Pursuant to Chapter 216, Laws of 1982 of the
20 State of Washington (the "Act"), codified as Chapter
21 39.80 RCW, the County is authorized, among other
22 things, to borrow money in anticipation of the
23 receipt of taxes of the County and to evidence such
24 borrowing by tax anticipation notes of the County.

25 During 1983, the County will experience certain
26 months when it will not have cash on hand to pay its
27 current obligations and will need to borrow money to
28 make those payments.

29 The County has retained Wm. P. Harper & Son &
30 Company to negotiate, subject to County Council
31 approval, for the sale of short-term obligations to
32 provide funds to make such payments.

33 Pursuant to such negotiations, a proposed agree-
ments providing that Citibank, N.A., act as Placement
Agent and Issuing and Paying Agent for the County in
connection with the sale of tax anticipation notes to
be authorized by the County from time to time up to
an aggregate outstanding principal amount of
\$19,200,000 (the "Notes") has been submitted this day
to the County Council for its acceptance.

In order to provide additional security to the
holders of the Notes and to enhance the Notes'
marketability on the most favorable terms and condi-
tions, the County is authorized to enter into the
Revolving Credit Agreement herein referred to in
order to provide an additional source of funds with
which to provide for the payment of the Notes when
due.

1 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

2 ARTICLE I

3 Definitions

4 Section 1.1 Definitions. The following words and terms
5 as used in this ordinance shall have the following meanings,
6 for all purposes of this ordinance, unless some other meaning
7 is plainly intended or is required by the Act as in effect on
8 the date of this ordinance:

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

11 "Authorized Officer" means any of the following: The King
12 County Executive or Deputy Executive or Director of the Office
13 of Finance of the County, and such other persons as may be
14 designated from time to time by the County Executive. In addi-
15 tion, for the purposes therein designated the persons named in
16 Appendix G hereto are Authorized Officers.

17 "Bank Notes" means the promissory notes authorized to be
18 issued under the Credit Agreement.

19 "Credit Agreement" means the Revolving Credit Agreement
20 between the County and Citibank, N.A., and Rainier National
21 Bank authorized by Section 3.4 hereof.

22 "Issuing and Paying Agency Agreement" means the agreement
23 between the County and Citibank, N.A., authorized pursuant to
24 Section 3.2 hereof.

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

28 "Note Fund" means the Tax Anticipation Note Account, 1983,
29 in the Current Expense Fund of the County created by Section
30 2.3 hereof.

31 "Notes" means the Tax Anticipation Notes, 1983, of King
32 County authorized to be issued pursuant to Section 2.1 hereof.
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1 "Placement Agent" means Citibank, N.A., acting under the
2 Placement Agent Agreement.

3 "Placement Agent Agreement" means the agreement between
4 the County and Citibank, N.A., authorized by Section 3.3 hereof.

5 "Related Agreements" means all of the Issuing and Paying
6 Agency Agreement, the Placement Agent Agreement and the Credit
7 Agreement.

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

14 Section 1.2 Ordinance to Constitute Contract. In consid-
15 eration of the purchase and acceptance of any of the Notes
16 authorized to be issued hereunder by those who shall hold the
17 same from time to time, this ordinance shall be deemed to be
18 and shall constitute a contract between the County and the
19 holders from time to time of the Notes; and the pledge and lien
20 on the Note Fund and the covenants and agreements set forth in
21 this ordinance to be performed on behalf of the County shall be
22 for the equal benefit, protection and security of the holders
23 of any and all of the Notes, all of which, regardless of the
24 time or times of their delivery or maturity, shall be of equal
25 rank without preference, priority or distinction of any of the
26 Notes over any other thereof, except as expressly provided in
27 or permitted by their terms with respect to rate of interest or
28 otherwise.

29 ARTICLE II

30 Creation, Amount, Designation and Purpose of Issue

31 Section 2.1 Authorization, Purpose and Payment Pledge.

32 The County is authorized to borrow money from time to time and
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1 to evidence such borrowing by the issuance of obligations to be
2 designated "Tax Anticipation Notes, 1983," of King County
3 (heretofore defined as the "Notes"). The amount to be borrowed
4 shall not exceed an outstanding amount of \$19,200,000, but in
5 no event greater than an amount permitted by Subsection 103(c)
6 of the Internal Revenue Code of 1954, as amended, and the
7 regulations promulgated thereunder. The Notes are issued in
8 anticipation of the receipt by the County of Taxes for the
9 County's Current Expense Fund. The Notes shall be issuable for
10 the purpose of paying all County expenses payable from the
11 County's Current Expense Fund for which there are anticipated
12 to be received from time to time insufficient Taxes to pay the
13 same when due and to pay the expenses of issuing the Notes.
14 The County covenants that on all days on which the principal of
15 and interest on Notes become due it will deposit sufficient
16 money with the Issuing and Paying Agent, but solely from the
17 sources specified in Section 2.3 hereof, to pay such principal
18 and interest when due. The County authorizes and directs the
19 Issuing and Paying Agent to pay the principal of and interest
20 on the Notes when due from money of the County representing the
21 proceeds of additional Notes or from other money provided by
22 the County.

23 Section 2.2 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 inser-
27 tions 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 Placement Agent may treat
30 the bearer thereof as the absolute owner of any Note for the
31 purpose of receiving payment thereof and for all other pur-
32 poses, and neither the County nor the Issuing and Paying Agent
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1 nor the Placement Agent shall be affected by any notice or
2 knowledge to the contrary. The Notes shall be in denominations
3 of not less than \$100,000 each unless otherwise agreed to by
4 the County and Citibank, N.A., shall be numbered serially from
5 1 upwards in order of their issuance, and shall mature not more
6 than 270 days from their dates of issuance. The principal
7 amount, date of issuance, maturity date and amount of interest
8 shall be as specified in instructions of an Authorized Officer
9 delivered to the Issuing and Paying Agent pursuant to Section
10 2.5 hereof; except that (a) no Note shall be issued under this
11 ordinance which matures subsequent to the expiration of the
12 term of the Credit Agreement; (b) no Note shall be sold for
13 less than the par value thereof; (c) no Note shall bear inter-
14 est at a rate in excess of the prime rate of Citibank, N.A.
15 (the "Base Rate" as defined in the Credit Agreement) in effect
16 on the date of issuance of such Note; and (d) from and after
17 receipt by the County of notice of termination of the Credit
18 Agreement, no Note shall be issued under this ordinance which
19 matures subsequent to the latest maturing Note outstanding on
20 the date of such notice or in an amount which, when added to
21 the aggregate principal amount of Notes outstanding hereunder
22 (excluding the aggregate principal amount of Notes then being
23 refunded from the proceeds of Notes), would exceed the aggre-
24 gate principal amount of Notes outstanding on the date of such
25 notice. The County Council finds and declares that it is in
26 the best interests of the County to establish the maximum
27 allowable interest rates on the Notes as set forth above.

28 The Notes shall be executed on behalf of the County by
29 the manual signature of an Authorized Officer. The seal of the
30 County Council shall be impressed or a facsimile thereof
31 imprinted on each Note. In case any person whose signature
32 shall appear on any Notes shall cease to be an Authorized
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1 Officer before the delivery of such Notes, such signature shall
2 nevertheless be valid and sufficient for all purposes, and such
3 Note may be authenticated and delivered the same as if such
4 Authorized Officer had remained an Authorized Officer until
5 such delivery. The Notes shall be payable, both as to princi-
6 pal and interest, in immediately available lawful money of the
7 United States of America at the office of the Issuing and
8 Paying Agent in New York, New York, designated pursuant to the
9 Issuing and Paying Agency Agreement.

10 Section 2.3 Note Fund - Security and Sources of Payment
11 of Notes.

12 (a) There is established a special account in the
13 Current Expense Fund of the County to be known as the "Tax
14 Anticipation Note Account, 1983," (hereinbefore defined as the
15 "Note Fund") which account shall be drawn upon only for the
16 payment of the principal of the Notes or for the payment of the
17 principal of and interest on Bank Notes as provided in Section
18 2.6 hereof. The County covenants and agrees that it will
19 deposit in the Note Fund (1) at the time received, the proceeds
20 of sale of subsequent issues of Notes pursuant to Section 2.1
21 hereof, (2) by January 31, 1984, sufficient Taxes received by
22 the County and other money available to pay the principal of
23 and retire all of the outstanding Notes at their maturity, and
24 (3) at the time received, the proceeds of sale of any Bank
25 Notes. The County further covenants that it will pay interest
26 when due on any Notes from money in the Current Expense Fund.
27 In order to secure the payment when due of the principal of and
28 interest on the Notes and the performance of any other obliga-
29 tion of the County to the holders of the Notes, the County
30 pledges to such payment and performance all amounts from time
31 to time on deposit in the Note Fund and the Current Expense
32 Fund.
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1 (b) The County agrees for the benefit and protection
2 of the holders from time to time of the Notes that, to the
3 extent it does not have other funds available with which to
4 make such payment when due, it shall issue and sell Bank Notes
5 pursuant to the Credit Agreement and apply the proceeds of such
6 sale to such payment.

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

18 Section 2.4 Execution and Delivery of Notes to Issuing
19 and Paying Agent. Upon the passage of this ordinance and from
20 time to time thereafter as may be required in connection with
21 the issuance of the Notes authorized hereby, the County shall
22 execute and deliver to the Issuing and Paying Agent for safe-
23 keeping, completion, authentication and delivery in accordance
24 with the provisions hereof and of the Issuing and Paying Agency
25 Agreement, Notes in the form required by Section 2.2 hereof
26 with the date of issuance, principal amount, maturity date and
27 amount of interest left blank. Each such Note shall be held in
28 safekeeping by the Issuing and Paying Agent until authenticated
29 and delivered in accordance with the provisions of Section 2.5
30 hereof and the Issuing and Paying Agency Agreement.
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1 Section 2.5 Issuance and Sale of Notes; Maturities and
2 Interest Rates.

3 (a) Notwithstanding the provisions of ~~C~~ chapters 4.14
4 and 4.16 of the King County Code, the County may issue and sell
5 Notes at private sale pursuant to the Placement Agent Agreement
6 at such time, amounts, with such maturities, at such rates of
7 interest and upon such other terms and conditions as shall be
8 fixed by an Authorized Officer at the time of sale, subject
9 only to the provisions of this ordinance and the Related Agree-
10 ments; and it is found and determined that such manner of sale
11 is in the best interests of the County.

12 (b) Upon receipt of written instructions (including
13 instructions given by electronic wire service) from an Autho-
14 rized Officer specifying the principal amounts, dates of issu-
15 ance, maturities, rates of interest, and other terms and
16 conditions as shall be determined by such Authorized Officer,
17 the Issuing and Paying Agent shall withdraw from safekeeping
18 the necessary Notes theretofore delivered to it pursuant to
19 Section 2.4 hereof and shall complete the same in accordance
20 with such instructions. Notwithstanding the foregoing, how-
21 ever, an Authorized Officer may give telephonic instructions to
22 the Issuing and Paying Agent provided the same are confirmed in
23 writing, including a writing transmitted by facsimile or other
24 electronic means, within 24 hours. Such written instructions
25 or confirmation also shall specify the purchase price for the
26 Notes and shall contain a request that the Issuing and Paying
27 Agent authenticate the necessary Notes by countersigning the
28 same and deliver the same to the purchaser(s) thereof pursuant
29 to the Issuing and Paying Agency Agreement. There shall be
30 printed upon, or delivered with, the Notes, the approving legal
31 opinion with respect thereto of Messrs. Roberts & Shefelman,
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1 Bond Counsel, substantially in the form included in Appendix A
2 hereto.

3 (c) The delivery to the Issuing and Paying Agent of
4 any instructions, telephonic or written, with respect to the
5 issuance of Notes, shall constitute a certification by the
6 County to the following effect:

7 (1) The representations and warranties of the
8 County contained herein and in the Issuing and Paying
9 Agency Agreement are true and correct as of the date
10 of issuing of such Notes;

11 (2) No event of default under this ordinance
12 has occurred;

13 (3) The certifications and statements contained
14 in the County's Master Arbitrage Certificate in the
15 form of Appendix B hereto, or substantially in such
16 form but reflecting changes in the figures therein
17 which have occurred since the date Appendix B was
18 prepared which changes are not material, are true,
19 correct and complete with respect to the Notes
20 referred to in such instructions as of the proposed
21 date of issuance thereof; and

22 (4) All agreements and covenants to be per-
23 formed by the County with respect to such Notes have
24 been duly performed.

25 In confirmation of the foregoing, the County agrees
26 to cause an Authorized Officer to execute and deliver a certif-
27 icate in substantially the form attached hereto as Appendix C.
28 Such certificate shall be hand delivered to Bond Counsel on the
29 date of issuance of any Notes and shall be mailed on such day
30 to the Issuing and Paying Agent and the Placement Agent.

31 Section 2.6 Application of Proceeds. The County shall
32 deposit, from the proceeds of the initial issuance and sale of
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1 Notes under this ordinance, into the Current Expense Fund of
2 the County, the amount required, together with other money on
3 deposit in such fund, to pay the expenses and obligations of
4 the Current Expense Fund when due and to pay the costs of issu-
5 ance of the Notes. The proceeds of each subsequent issuance
6 and sale of Notes shall be applied first to the payment of the
7 principal of and interest on any Notes coming due on the date
8 of such issuance and sale of Notes. Any proceeds of any such
9 subsequent issuance and sale of Notes remaining after the pay-
10 ment of prior Notes as provided in the preceding sentence shall
11 be applied to the payment of any outstanding Bank Notes.

12 Section 2.7 Lost, Destroyed or Mutilated Notes. In the
13 event any Note is lost, destroyed or mutilated, the County will
14 cause to be issued a new Note, substantially similar to the
15 original, to replace the same, in such manner and upon such
16 reasonable terms and conditions as any Authorized Officer may
17 from time to time determine and in compliance with the laws of
18 the State of Washington.

19 Section 2.8 Custody of Cancelled Notes. All Notes sur-
20 rendered to the Issuing and Paying Agent upon the payment of
21 the principal and interest upon maturity thereof shall be can-
22 celled by the Issuing and Paying Agent and forthwith trans-
23 mitted to the County, and thereafter the County shall have the
24 custody of all thereof.

25 ARTICLE III

26 Related Agreements

27 Section 3.1 Approval of Related Agreements. Notwith-
28 standing the provisions of chapter 4.14 and 4.16 of the King
29 County Code, the County Council finds that it is in the best
30 interests of the County to enter into the Related Agreements.

31 Section 3.2 Issuing and Paying Agency Agreement. The
32 County approves the terms of an Issuing and Paying Agency
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1 Agreement with Citibank, N.A., in the form or substantially in
2 the form attached hereto as Appendix D and authorizes and
3 directs that the same be executed and delivered by an Autho-
4 rized Officer in such form or substantially in such form with
5 such changes therein as the Authorized Officer executing the
6 same may approve, his execution thereof to be conclusive evi-
7 dence of such approval and that such changes are within the
8 authority hereby granted.

9 Section 3.3 Placement Agent Agreement. The County
10 approves the terms of a Placement Agent Agreement with
11 Citibank, N.A., in the form or substantially in the form
12 attached hereto as Appendix E and authorizes and directs that
13 the same be executed and delivered by an Authorized Officer in
14 such form or substantially in such form with such changes
15 therein as the Authorized Officer executing the same may
16 approve, his execution thereof to be conclusive evidence of
17 such approval and that such changes are within the authority
18 hereby granted.

19 Section 3.4 Credit Agreement.

20 (a) The County approves the terms of a Credit Agree-
21 ment with Citibank, N.A., and Rainier National Bank substan-
22 tially in the form attached hereto as Appendix F and authorizes
23 and directs that the same be executed and delivered by an
24 Authorized Officer in such form or substantially in such form
25 with such changes therein as the Authorized Officer executing
26 the same may approve, his execution thereof to be conclusive
27 evidence of such approval and that such changes are within the
28 authority hereby granted.

29 (b) The County is authorized to borrow money from
30 time to time pursuant to the Credit Agreement for the sole pur-
31 pose of paying the principal of and interest on Notes when
32 due. The County authorizes and directs the Authorized Officer,
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1 in connection with any such borrowing, to execute and deliver a
2 Bank Note in substantially the form of Exhibit A to the Credit
3 Agreement and to execute and deliver the certificates required
4 by the Credit Agreement for such borrowing. The County Council
5 finds and declares that it is in the best interests of the
6 County to fix the index for the interest rates on the Bank
7 Notes as set forth in the Credit Agreement.

8 (c) The Bank Notes shall be payable solely from the
9 special account of the County designated the "Bank Note
10 Redemption Account," in the Current Expense Fund which Account
11 is hereby established. The County covenants and agrees that
12 if, and for so long as, any Bank Notes are outstanding it will
13 deposit in the Bank Note Redemption Account (1) to the extent
14 provided in Section 2.6 hereof, the proceeds of sale of issues
15 of Notes and (2) Taxes received by the County to the extent
16 such proceeds are not required to be deposited in the Note Fund
17 pursuant to Section 2.3 hereof.

18 ARTICLE IV

19 Representations and Warranties

20 The County represents, warrants and agrees as follows:

21 Section 4.1 Corporation Authority. The County has full
22 legal right, power and authority (a) to adopt this ordinance,
23 (b) to enter into the Related Agreements, (c) to sell, issue
24 and deliver the Notes and Bank Notes as provided herein, and
25 (d) to carry out and consummate all other transactions contem-
26 plated by this ordinance and the related agreements.

27 Section 4.2 Due Authorization and Approval of Ordinance,
28 Notes and Related Agreements. By all necessary official action
29 prior to or concurrently herewith, the County has duly autho-
30 rized and approved the execution and delivery of, and the per-
31 formance by the County of its obligations contained in the
32 Notes, Bank Notes, this ordinance and the Related Agreements
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1 and the consummation by it of all other transactions contem-
2 plated by this ordinance and the Related Agreements in connec-
3 tion with the issuance of the Notes and Bank Notes, and such
4 authorizations and approvals are in full force and effect and
5 have not been amended, modified or supplemented in any material
6 respect.

7 Section 4.3 Ordinance and Related Agreements to Consti-
8 tute Legal, Valid and Binding Obligations of County. This
9 ordinance constitutes, and the Related Agreements when executed
10 and delivered will constitute, the legal, valid and binding
11 obligations of the County.

12 Section 4.4 Notes to Constitute Legal, Valid and Binding
13 Obligations of County. The Notes and Bank Notes, when issued,
14 authenticated and delivered, will constitute the legal, valid
15 and binding obligations of the County.

16 Section 4.5 No Breach or Default. The County is not in
17 breach of or default under any applicable judgment or decree or
18 any loan agreement, indenture, bond, note, resolution, ordin-
19 ance, motion, agreement or other instrument to which the County
20 is a party or to which the County or any of its property or
21 assets are otherwise subject where such breach or default would
22 have a material adverse effect on the operations or financial
23 condition of the County; and (a) the adoption of this ordin-
24 ance, (b) the execution and delivery of the Related Agreements,
25 and (c) the sale, issuance and delivery of the Notes or Bank
26 Notes, and compliance with the provisions on the County's part
27 contained therein, will not conflict with or constitute a
28 breach of or default under any constitutional provision, law,
29 administrative regulation, judgment, decree, loan agreement,
30 indenture, bond note, resolution, ordinance, motion, agreement
31 or other instrument to which the County is a party or to which
32 the County or any of its property or assets are otherwise
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1 subject, nor will any such adoption, execution, delivery, sale,
2 issuance or compliance result in the creation or imposition of
3 any lien, charge or other security interest or encumbrance of
4 any nature whatsoever upon any of the property or assets of the
5 County or under the terms of any such law, regulation or
6 instrument, except as provided by the Notes, Bank Notes and
7 this ordinance.

8 ARTICLE V

9 Covenants of the County

10 Section 5.1 Punctual Payment of Notes. The County cove-
11 nants that it will duly and punctually pay or cause to be paid
12 the principal of every Note and the interest, if any, thereon
13 at the places, on the dates and in the manner provided herein
14 and in the Notes. Except as otherwise provided in this ordi-
15 nance, the principal and interest, if any, on the Notes are
16 payable solely from the funds pledged therefor by this ordi-
17 nance, and nothing in the Notes or in this ordinance shall be
18 construed as obligating the State of Washington or any politi-
19 cal subdivision thereof to pay the Notes or the interest, if
20 any, thereon except as provided herein or as pledging the faith
21 and credit or taxing power of the State of Washington or of any
22 such political subdivision.

23 As long as any Notes are outstanding, the County will
24 cause an office or agency where any Notes may be presented for
25 payment to be maintained in the Borough of Manhattan, City and
26 State of New York.

27 Section 5.2 Notes to Remain Tax Exempt; Nonarbitrage.
28 The County covenants that it will not take or permit to be
29 taken on its behalf any action which would adversely affect the
30 exemption from federal income taxation of the interest or dis-
31 count, if any, on the Notes and will take or require to be
32 taken such acts as may reasonably be within its ability and as
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1 may from time to time be required under applicable law to con-
2 tinue the exemption from federal income taxation of the inter-
3 est and discount, if any, on the Notes. Without limiting the
4 generality of the foregoing, the County covenants that it will
5 not issue an amount of Notes or take any action or fail to take
6 any action with respect to the investment of the proceeds of
7 any Notes or other funds which would result in constituting the
8 Notes "arbitrage bonds" within the meaning of such term as used
9 in Section 103(c) of the Internal Revenue Code of 1954, as
10 amended (the "Code"), or which would violate Treasury Regula-
11 tions under Section 103(c) of the Code applicable to the Notes.
12 The County further covenants that it will not expend, or permit
13 to be expended, Note proceeds in any manner inconsistent with
14 its expectations as certified in the Master Arbitrage Certifi-
15 cate to be executed with respect to the Notes, except that the
16 County may expend Note proceeds in any manner if the County
17 first obtains an unqualified opinion of Bond Counsel that such
18 expenditure will not impair the exemption from federal income
19 taxes of the interest on the Notes.

20 The County represents that it has not been notified of any
21 listing or proposed listing by the Internal Revenue Service to
22 the effect that it is a bond issuer whose arbitrage certifica-
23 tions may not be relied upon.

24 Section 5.3 Use of Note Proceeds; Restrictions on Amend-
25 ments. The County covenants that none of the proceeds of the
26 Notes will be used for any purpose other than as provided in
27 this ordinance and that the County shall not suffer any amend-
28 ment or supplement to this ordinance, or any departure from the
29 due performance of the obligations of the County hereunder,
30 which might materially adversely affect the rights of the
31 holders from time to time of the Notes.
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1 payable, without presentment, demand, protest or other notice
2 of any kind, all of which the County expressly waives. Any
3 notice required by this Section shall be deemed to have been
4 given sufficiently if and when sent by registered mail, return
5 receipt requested and addressed to the Director of the Office
6 of Finance, Room 611, King County Administration Building, 500
7 Fourth Avenue, Seattle, Washington 98104.

8 ARTICLE VII

9 Miscellaneous

10 Section 7.1 General Authorization. Each Authorized
11 Officer is authorized to do and perform from time to time any
12 and all acts and things consistent with this ordinance neces-
13 sary or appropriate to carry the same into effect.

14 Section 7.2 Successors of County. In the event that any
15 board, body or commission shall lawfully succeed to the princi-
16 pal functions of the County under the Act or that the powers
17 and duties given to the County by the laws of the State of
18 Washington or King County Charter shall be lawfully transferred
19 to some other board, body or commission, all of the covenants,
20 obligations and agreements contained in this ordinance by or on
21 behalf of or for the benefit of the County shall bind or inure
22 to the benefit of the successor or successors of the County
23 from time to time.

24 Section 7.3 Effect of Partial Invalidity. In case any
25 one or more of the provisions of this ordinance or of the Notes
26 shall for any reason be held to be illegal or invalid, such
27 illegality or invalidity shall not affect any other provision
28 of this ordinance or of the Notes, but this ordinance and the
29 Notes shall be construed and enforced as if such illegal or
30 invalid provision had not been contained therein. In case any
31 covenant, obligation or agreement contained in the Notes or in
32 this ordinance shall for any reason be held to be in violation
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1 of law, then such covenant, obligation or agreement shall be
2 deemed to be the covenant, obligation or agreement of the
3 County to the full extent permitted by law.

4 Section 7.4 Effect of Covenants, etc. All covenants,
5 obligations and agreements of the County contained in this
6 ordinance shall be deemed to be covenants, obligations and
7 agreements of the County to the full extent authorized by the
8 Act and permitted by the Constitution of the State of
9 Washington. No covenant, obligation or agreement contained
10 herein shall be deemed to be a covenant, obligation or agree-
11 ment of any present or future member, agent or employee of the
12 County in his individual capacity, and neither the members of
13 the County Council nor any Authorized Officer thereof executing
14 the Notes shall be liable personally on the Notes or be subject
15 to any personal liability or accountability by reason of the
16 issuance thereof. No member, officer, agent or employee of the
17 County shall incur any liability in acting or proceeding or in
18 not acting or not proceeding, in good faith in accordance with
19 the terms of this ordinance and the Act. This ordinance is
20 passed with the intent that the laws of the State of Washington
21 shall govern its construction.

22 Section 7.5 Severability. If any one or more of the
23 covenants or agreements provided in this ordinance to be per-
24 formed on the part of the County shall be declared by any court
25 of competent jurisdiction to be contrary to law, then such
26 covenant or covenants, agreement or agreements, shall be null
27 and void and shall be deemed separable from the remaining
28 covenants and agreements in this ordinance and shall in no way
29 affect the validity of the other provisions of this ordinance
30 or of the Notes.

31 Section 7.6 Declaration of Emergency. The County Council
32 finds that an emergency exists and that this ordinance is
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1 necessary for the immediate preservation of public peace,
2 health or safety or for the support of County government and
3 its existing public institutions.

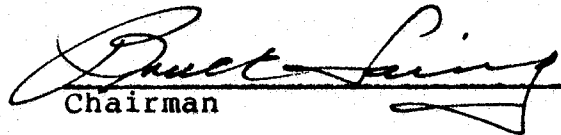
4 INTRODUCED and read for the first time this 10th day of

5 January, 1983.

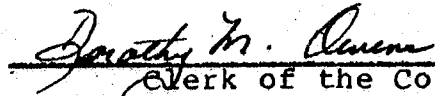
6 PASSED by the Council at a regular meeting thereof on the

7 24th day of January, 1983.

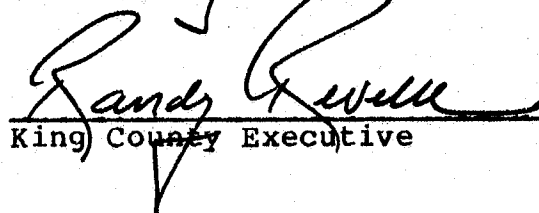
8 KING COUNTY COUNCIL
9 KING COUNTY, WASHINGTON

10 
11 Chairman

12 ATTEST:

13 
14 Clerk of the Council

15 APPROVED this 26th day of January 1983.

16 
17 King County Executive

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\$ _____

No. _____

KING COUNTY

STATE OF WASHINGTON

TAX ANTICIPATION NOTE, 1983

_____, 198__

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 __, 1983, this Note is one of an authorized issue of Notes payable, as to principal, from the "Tax Anticipation Note Account, 1983," (the "Note Fund") in the Current Expense Fund of the County, and as to interest, from 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) by January 31, 1982, sufficient taxes received by the County to pay the principal of and retire all of the outstanding Notes at their maturity, and (c) at the time received, the proceeds of sale of any hereinafter described Bank Notes. The County has entered into a revolving Credit Agreement with Rainier National Bank, Seattle, Washington, and Citibank, N.A., New York, New York, pursuant to which those Banks have agreed to purchase promissory notes to provide funds, if required, to pay the principal of 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 that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the

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1 issuance of this Note do exist, have happened and have been
2 performed as provided by law.

3 [seal]

KING COUNTY

4 Countersigned by
5 Citibank, N.A.
6 Issuing and Paying Agent

By _____
Authorized Officer

7 By _____
Authorized Officer

[seal]

8 [Back of Note Form]

9 I, ROBERT V. COWAN, JR., Director of the Office of Finance
10 of King County, Washington, certify that the following is a true
11 copy of the complete legal opinion of Roberts & Shefelman,
12 attorneys, Seattle, Washington, on file in this office and
13 addressed to the County, which opinion is dated the date the
14 first issue of Notes referred to therein were delivered and paid
15 for.

16 _____
17 Director of the Office of Finance
18 King County, Washington

19 ROBERTS & SHEFELMAN
20 4100 Seafirst Fifth Avenue Plaza
21 800 Fifth Avenue
22 Seattle, Washington 98104

23 King County, Washington

24 Re: \$ _____ Tax Anticipation Notes, 1983, of
25 King County (the "Notes") issued under Ordinance
26 No. _____ (the "Ordinance") passed January __, 1983

27 We have acted as counsel to King County, Washington (the
28 "County"), in the matter of authorization, sale and issuance
29 from time to time of the Notes in the principal amount of
30 \$ _____ outstanding at any time. This opinion is fur-
31 nished on the basis of (a) statutes, regulations and court
32 decisions in effect on its date, (b) the representations, war-
33 ranties 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, war-
ranties 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.

1 We have examined Chapter 216, Laws of 1982 of the State of
2 Washington (the "Act"), and other applicable statutes; a certi-
3 fied copy of the County Charter; the Ordinance; and such
4 certificates and other papers, and have made such other examina-
5 tions as we have deemed necessary in connection with this
6 opinion. Based thereon, it is our opinion that:

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

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

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

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

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 and original issue discount
apportioned among Note holders will be exempt from income
taxes of the United States of America.

Respectfully submitted,

ROBERTS & SHEFELMAN

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 with others, with responsibility for issuing the County's Tax Anticipation Notes, 1983 (the "Notes"), in an aggregate principal amount outstanding of not to exceed \$20,000,000 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 _____, 1983, authorized the issuance, from time to time, of Notes to investors and bank notes (the "Bank Notes") under a revolving credit agreement with Rainier National Bank and Citibank, N.A. (the "Credit Agreement"). The outstanding amount of Bank Notes 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 minimum denominations 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 all County expenses payable from the County's Current Expense Fund for which there are anticipated to be received from time to time insufficient Taxes (as that term is defined in the Note Ordinance) to pay the same when due 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, 1983 (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 outstanding Bank Notes.

6. Except as provided in paragraph 7 below, payments of principal of the Notes will be made from (a) proceeds of sales of subsequent issues of Notes and (b) Taxes and other money on deposit in the Note Fund. Interest on the Notes when due will be paid from money in 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 Bank Notes 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 Notes, 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 Notes 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 the Notes. It is anticipated that such deposits will be made on the dates such principal 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. No special fund has been established for the payment of interest on the Notes and it is anticipated that such interest when due will be paid from the Current Expense Fund of the County, which fund is established by law to pay the operating and other general expenses of the County.

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, 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 _____, 1983.

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

0323k

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

I, _____, the _____ of
King County, Washington (the "County"), certify that:

(1) The representations and warranties of the County
contained in the Tax Anticipation Note Ordinance passed by the
County Council on January __, 1983 (the "Ordinance"), and in the
Issuing and Paying Agency Agreement between the County and
Citibank, N.A., 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 _____
Authorized Officer

Dated: _____

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King County Executive
Randy Revelle
Office of Finance
Jerry Rosenquist, *Acting Director*

January 19, 1983

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

Attention: Mr. F.A. Herbst, Vice President

Dear Mr. Herbst:

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, 1983 (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 _____, 1983 (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 the 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 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. For your information, a copy of the Ordinance is attached.

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 Issuer or you respectfully or their respective officers', employees' or agents' performance under this Agreement, except for costs, expenses, fees and liabilities arising out of the Issuer or your or the Issuer's or your respective officers', employees', or agents' negligence or wilful misconduct. The Issuer further agrees that neither you nor any of your officers, employees and agents shall be liable for any action or omission to act, taken or made pursuant to this Agreement, except for negligence or wilful 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: F.A. Herbst, 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 \$10 per Note issued with a minimum monthly fee of \$25.00. The terms of this agreement will remain in effect until 1983 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 , 1983

APPENDIX A

January , 1983

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

Attention: Mr. F.A. Herbst, Vice President

Dear Mr. Herbst:

We enclose the following Tax Anticipation Notes, 1983 (the "Notes") for safekeeping, execution and delivery pursuant to our further instructions:

【Set forth Note description, including quantities and serial numbers.】

Please acknowledge receipt of these Notes on the line below and return this letter to us.

Very truly yours,

【Signature of Authorized Person】

RECEIPT ACKNOWLEDGED:

DATED: _____

CITIBANK, N.A.

By: _____

PLACEMENT AGENCY AGREEMENT

Dated as of January __, 1983

Pursuant to this Placement Agency Agreement dated January , 1983, King County, Washington (the "Issuer"), and Citibank, N.A. (the "Bank") agree as follows:

1. Amount Authorized. The Bank agrees on the terms and conditions hereinafter set forth to use its best efforts to arrange to provide as sole placement agent, from time to time, short-term financing to the Issuer, commencing on the date hereof until terminated by either party on five business days' notice, in an aggregate principal amount (the "Financing Limit") not to exceed at any time outstanding \$20,000,000. From time to time, the Financing Limit may be increased by agreement of the Bank and the Issuer, or decreased by the Issuer.

2. Form of Notes. All indebtedness of the Issuer hereunder shall be evidenced by notes (the "Commercial Paper Notes") of the Issuer in the form attached as Appendix A to King County Ordinance No. _____ hereto and shall be serially numbered, imprinted with the Issuer's name and address and properly executed on behalf of the Issuer and made to the order of bearer but shall not be authenticated and shall be incomplete as to principal amount, interest rate, date of issue and maturity. Forms of Commercial Paper Notes for use hereunder shall be furnished by the Issuer and shall be executed on behalf of, and deposited by, the Issuer for safekeeping with the Issuance Agency Department of the Bank, as issuing agent for the issuer.

3. Request for Financing. (a) In order to obtain financing hereunder, the Issuer shall notify the Bank by telephone (telephone (212) 668-3616), confirmed in writing (Attention: Michele Smith, VP: Tax-Exempt Notes, Money Market Division, 55 Water Street, 47th Floor (Box 850) New York, N.Y. 10043), on any banking day (the "Request Date") prior to 3:00 P.M. (New York City time) of the financing it requests hereunder, specifying the principal amount requested by the Issuer to be received on the next succeeding banking day, which amount, when aggregated with all amounts of short-term financing then outstanding pursuant to paragraph 4, shall not exceed the Financing Limit, and the requested maturity, which shall not exceed nine months therefrom. The Bank and the Issuer shall thereupon agree on the amount (the "Agreed Amount") and the maturity (the "Agreed Maturity") in which, and the rate of interest on Commercial Paper Notes in interest-bearing form (the "Agreed Rate") at which Commercial Paper Notes may be sold by the Bank as agent for the Issuer, provided, however, that in the event that the Bank shall promptly place Commercial Paper Notes in the Agreed Amount and Agreed Maturity at a rate lower than the Agreed Rate, such lower rate shall constitute the Agreed Rate. Such Agreed Amount, Agreed Maturity and Agreed Rate may be increased or decreased by agreement of the Bank and the Issuer and shall be promptly reconfirmed by telex or telecopy. The Issuer shall also specify an interest bearing basis (subject to the provisions of subparagraph IV hereof).

(b) For the purposes of subparagraph 3(a) hereof, the term "banking day" shall mean a day of the year on which banks are not required or authorized to close in New York City.

4. Placement of Commercial Paper Notes on Behalf of the Issuer.

After the Agreed Amount, Agreed Maturity and Agreed Rate have been determined, the Bank shall be authorized to place Commercial Paper Notes as follows:

Commercial Paper Notes may be placed as the Bank in its discretion determines,

- (i) with institutional and corporate purchasers,
- (ii) in such amounts, but in the aggregate no more than the Agreed Amount, and in the case of any one Commercial Paper Note for no less than \$100,000 (except as the Bank and the Issuer may agree from time to time), and
- (iii) with such maturity dates, but no longer than the date which is the last day of the period commencing with the Request Date and extending through the duration of the Agreed Maturity (such date being hereinafter referred to as the "Agreed Maturity Date").

5. Revolving Credit Agreement. The parties hereto are entering into a Revolving Credit Agreement (the "Credit Agreement") dated the date hereof pursuant to which the Bank and Rainier National Bank agree to provide a line of credit for the purpose of providing liquidity for the Issuer in the event that new purchasers for Commercial Paper Notes other than the Bank and Rainier National Bank cannot be found. It is the understanding of the parties hereto that the Credit Agreement is not intended to provide an interest rate ceiling for the cost of issuing Commercial Paper Notes but rather an alternative funding source in the event of market dislocations, provided, however, if no Purchasers can be found for the Notes at a rate equal to the base rate contained in Section 2.2 of Ordinance No. _____, the Bank and Rainier National Bank agree to provide access to the line of credit at an interest rate equal to the Bank's base rate.

6. Issuance of Commercial Paper Notes and Payment Therefor. The Bank shall promptly confirm to the Issuer the amount of each Commercial Paper Note which has been placed pursuant to paragraph 4 above. The Bank is authorized to advise its Issuance Agency Department, as issuing agent, to complete and countersign Commercial Paper Notes against payment therefor to the account of the Issuer with the Bank in immediately available funds.

7. Conditions Precedent to the Bank's Obligations. The obligations of the Bank hereunder are subject to the following conditions:

(1) The Bank shall have received a certified copy of an ordinance, in the form attached hereto as Exhibit B, adopted by King County's Council approving the borrowing of funds and stipulating which officers are permitted to authorize the individual borrowings and to sign Commercial Paper Notes, and the Issuer shall be deemed to have represented such ordinance to be in full force and effect.

(2) The Bank shall have received signature cards in duplicate executed as authorized by the ordinance of King County's Council referred to above, and the Issuer shall be deemed to have represented such signatures to be duly authorized.

(3) The Bank shall have received a certificate, signed by an executive officer of the Issuer, to the effect that the uses to which the proceeds of the Commercial Paper Notes shall be put meet the criteria for the exemption from registration provided by Section 3(a)(2) of the Securities Act of 1933 and the Issuer shall be deemed to have represented (i) to know of no reason why Commercial Paper Notes issued pursuant to this Agreement will not qualify for such exemp-

tion and (ii) the Commercial Paper Notes when issued and delivered to a purchaser to be legal, valid and binding obligations of the Issuer enforceable against it in accordance with their terms.

(4) The Bank shall have received an opinion of counsel to the Issuer, in form and substance satisfactory to it, as to the matters described in subparagraph 7(3) above.

(5) There shall not have occurred any default under the Credit Agreement and the Issuer shall be deemed to have represented that no such default has occurred.

(6) The representations contained in subparagraph 7(1), (2), (3) and (5) shall be, and shall have continued to be, true.

(7) The execution of an Issuing and Paying Agency Agreement shall have occurred whereunder Citibank, N.A. will act as issuing agent for the issuance and payment of the Commercial Paper Notes at a cost to the Issuer of \$10 per Commercial Paper Note issued with a minimum monthly fee of \$25.00

8. Fee. If the Bank shall place Commercial Paper Notes with institutional or corporate purchasers as agent for the Issuer, it shall be entitled to receive directly from the Issuer a fee equal to $1/8$ of 1% per annum of the Financing Limit. This fee is payable upon the initial placement of the Commercial Paper Notes. In the event the Issuer increases or decreases the amount of the Financing Limit the fee shall be adjusted accordingly and rebated to the Issuer or paid to the Bank as the case may be.

9. Notices. All notices and other communications required or permitted hereunder shall be in writing (including telegraphic communication) and mailed or telegraphed or delivered, if to the Issuer, 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, if to the Bank, at its address at 55 Water Street, 47th Floor (Box 850), New York, New York 10043, Attention: Michele L. Smith, V.P., Tax-Exempt Notes, Money Market Division; 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, when mailed or telegraphed, be effective when deposited in the mails or delivered to the telegraph company, respectively, addressed as aforesaid, provided, however, that notice of termination under paragraph 1 hereof may be given by telephone and shall be effective immediately upon being so given if promptly thereafter confirmed in writing in the manner set forth in this paragraph 9.

10. Binding Effect; Governing Law. This Agreement shall be binding on and inure to the benefit of the Issuer and the Bank and their respective successors and assigns, except that the Issuer shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank. This Agreement, the Commercial Paper Notes shall be governed by, and construed in accordance with, the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

CITIBANK, N.A.

By _____
William G. Ferrell
Vice President

Accepted this _____ day of January, 1983

KING COUNTY

By _____

REVOLVING CREDIT AGREEMENT

Dated as of _____, 1983

King County, Washington, a political subdivision of the State of Washington (the "Borrower"), and Citibank, N.A. ("Citibank") and Rainier National Bank ("Rainier") (each, a "Bank", collectively, the "Banks") agree as follows:

PRELIMINARY STATEMENT. The Borrower wishes to obtain Advances (as defined below) in an aggregate amount not to exceed \$21,000,000 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 _____, 1983 (the "Note Ordinance") to be issued pursuant to an Issuing and Paying Agency Agreement between the Borrower and Citibank (the "Agreement") and to be presented for payment to Citibank, as paying agent for the Borrower (the "Paying Agent") under the Agreement. The Banks have agreed severally 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. Each Bank severally 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 _____, 1984 (the "Termination Date") in an aggregate amount not to exceed at any time outstanding \$21,000,000 (the "Total Commitment"), the first \$10,500,000 of which will be advanced by Rainier and the second \$10,500,000 of which will be advanced by Citibank (each such amount being referred to as a Bank's "Commitment"). Each borrowing under this Section 1.01 (a "Borrowing") shall consist of Advances made on the same day by Rainier or Citibank according to their respective Commitments. Within the limits of each Bank's Commitment,

the Borrower may borrow, prepay pursuant to Section 1.06 and reborrow under this Section 1.01; provided, that Advances shall be made by Citibank only at such times as the entire Commitment of Rainier is outstanding.

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 Agreement would create an overdraft in the Note Payment Account (as defined below). Each such 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 applicable Bank specifying the date and amount thereof. Such notice must be received by such 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 applicable Bank shall make available to the Paying Agent at its address referred to in Section 7.02, in same day funds, such Bank's Advance.

SECTION 1.03. Commitment Fee. The Borrower agrees to pay to the Banks a commitment fee on the Total Commitment from _____, 1983 until the Termination Date at the rate of $\frac{3}{8}$ of 1% per annum, payable on the date of the execution hereof and on the first day of each renewal term hereof for the period of such renewal; provided, that in the event that the Total Commitment is at any time reduced pursuant to Section 1.04 the Banks shall repay to the Borrower a ratable portion of the commitment fee.

SECTION 1.04. Reduction of the Total Commitment. The Borrower shall have the right, upon at least five Business Days' notice to each of the Banks, to terminate in whole or in part the unused portion of the Total 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 Total 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. Such reductions shall be applied equally to the Commitments of the Banks, and the Banks and the Borrower will effect an adjustment of their respective obligations hereunder in order to permit such equal reduction.

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 each Bank in accordance with a promissory note of the Borrower to the order of such Bank, in substantially the form of Exhibit A hereto (a "Bank Note"), evidencing the indebtedness resulting from such Advances and delivered to each 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 (i) in the event where, other than the Banks, there are no purchasers of the Notes at any interest rate, (a) during the first two weeks of the term of each Advance to 62-1/2% of the rate of interest announced publicly by Citibank in New York, New York, from time to time as Citibank's base (prime) rate (the "Base Rate") and (b) during the remainder of such term, to the Base Rate and (ii) in the event where there are no purchasers of the Notes at a rate equal to the Base Rate, to the Base Rate. Each change in the fluctuating interest rate hereunder shall take effect simultaneously with the corresponding change in the Base Rate.

SECTION 1.06. Optional Prepayments. The Borrower may, upon at least five Business Days' notice to the applicable Bank, prepay the Bank Notes in whole or ratably 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.

SECTION 1.07. Sharing of Payments, Etc. If either Bank shall obtain any payment (whether voluntary, involuntary or otherwise) on account of the Bank Note held by it in excess of its ratable share of payments due the Banks on account of the Bank Notes obtained by both the Banks, such Bank shall purchase from the other Bank such participations in the Bank Notes held by it as shall be necessary to cause such purchasing Bank to share the excess payment ratably with the other Bank; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Bank, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but

without interest. The Borrower agrees that any Bank so purchasing a participation from the other Bank pursuant to this Section 1.07 may exercise all its rights of payment (voluntary, involuntary or otherwise) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower in the amount of such participation.

SECTION 1.08. Payments and Computations. The Borrower shall make each payment under this Agreement and the Bank Notes (collectively, the "Loan Documents") not later than 12:00 noon (New York City time or Seattle, Washington time, as the case may be) on the day when due in lawful money of the United States of America to the applicable Bank at its address referred to in Section 7.02 in same day funds. The Borrower hereby authorizes each Bank, if and to the extent payment owed to such Bank is not made when due under any Loan Document, to charge from time to time against any unrestricted account of the Borrower with such Bank any amount so due. All computations of interest under the Bank Notes and of the commitment fee hereunder shall be made by the Banks 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 1.09. Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Bank Notes 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 or the State of Washington, as the case may be (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 each Bank to make its initial Advance is subject to the condition precedent that each Bank shall have received on or before the day of the initial Borrowing from such Bank the following, each dated the day of delivery thereof, in form and substance satisfactory to such Bank:

- (a) A Bank Note to the order of such Bank.

(b) Evidence of the adoption of the Note Ordinance and that such other actions necessary or, in the opinion of such Bank, desirable (i) to provide for the Bank Notes being a general obligation of the Borrower and (ii) to perfect and protect a valid and binding claim of the Banks on all taxes levied and collected by the Borrower without a vote of the Borrower's electors (the "Security Interest") have been taken.

(c) Evidence of the adoption of 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 approving each Loan Document and of all documents evidencing other necessary 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. Roberts & Shefelman, bond counsel for the Borrower, as to interest on obligations of the Borrower Being exempt from Federal income taxation, as to the Security Interest being a valid and bonding 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 such 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 King County, 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 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 valid and legally binding direct and general obligations of the Borrower, the payment of which, in accordance with their terms, the full faith and credit of the Borrower is pledged.

(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, and each other Loan Document when delivered hereunder will be, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

(g) The balance sheets of the Borrower as at December 31, 1981, and the related statements of income, expense and fund balance of the Borrower for the fiscal year then ended, and the balance sheets of the Borrower as at June 30, 1982, and the related statements of income and retained earnings of the Borrower for the six months then ended copies of which have been furnished to each 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, 1982, there has been no material adverse change in such condition or operations.

(h) There is no pending or threatened action or proceeding affecting the Borrower before any court, governmental agency or arbitrator, which may materially adversely affect 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 any Bank Note shall remain unpaid or either Bank shall have any Commitment hereunder, the Borrower will, unless both Banks 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 applicable 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 each of the Banks: (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 Banks by the Washington State Auditor or other independent public accountants acceptable to the Banks; and (iv) such other information respecting the condition or operations, financial or otherwise, of the Borrower as either 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, 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 kinds referred to in clause (i) or (ii) above. Debt shall not include any unlimited ad valorem tax obligations.

(e) Security Interest. Maintain a valid and binding claim in favor of the Banks on all taxes levied and collected by the Borrower without a vote of the Borrower's electors.

(f) Borrowings from Citibank. Not request any Borrowing from Citibank hereunder unless the entire amount of Rainier's Commitment is outstanding on the date of such Borrowing.

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, any 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 either 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 Notes), 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 Security Interest shall, for any reason, cease to exist; or

(f) Any event of default under the Note Ordinance shall have occurred; 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 Bank Notes 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 Banks 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, either Bank may, by notice to the Borrower, (i) declare the obligation of each 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 each 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 Notes, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Bank Notes, all such interest and all such 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 control and dominion of the Paying Agent (except as otherwise provided in subsection (b) of 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 Banks or any other Person.

SECTION 6.03. Maintaining the Note Payment Account. So long as either Bank shall have any Commitment or any 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 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(b).

(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 2.1 of the Note Ordinance, (ii) by _____, 1984, 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 Banks in such amounts and at such times as are required to pay any obligations of the Borrower under this Agreement or the Bank Notes 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 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 under the Loan Documents (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 ratable payment of all other obligations of the Borrower now or hereafter existing in respect of principal of and interest on the Bank Notes; and, third, the ratable 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 provision 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 Banks, 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 (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, Telex: _____, c/o Rainier, Telecopy: _____, c/o Rainier and if to either Bank, at its address set forth under its name on the signature pages hereof; or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall be effective when received.

SECTION 7.03. No Waiver; Remedies. No failure on the part of either 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 construed 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 preparation, execution, delivery, filing, recording, and administration of the Loan Documents and the other documents to be delivered under the Loan Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Banks and local counsel who may be retained by said counsel, with respect thereto and with respect to advising the Banks as to their rights and responsibilities under the Loan Documents, and all costs and expenses, if any (including reasonable counsel fees and expenses), in connection with the enforcement of the Loan Documents and the other documents to be delivered under the Loan Documents. In addition, the Borrower shall pay any and 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 each 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 Notes to be due and payable pursuant to the provisions of Section 5.01, each 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 or demand, provisional or final) at any time held and other indebtedness at any time owing by such 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 held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Bank Note and although such obligations may be unmatured. Each Bank agrees promptly to notify the Borrower after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such 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 Banks and thereafter shall be binding upon and inure to the benefit of the Borrower and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its

rights hereunder or any interest herein without the prior written consent of the Banks. This Agreement and the Bank Notes shall be governed by, and construed in accordance with, the laws of the State of Washington.

SECTION 7.08. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate 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 of the date first above written.

KING COUNTY, WASHINGTON

By _____
Title:

CITIBANK, N.A.

By _____
Vice President

Address: 55 Water Street
47th Floor (Box 850)
New York, New York 10043
Attention: Joan Egan
Vice President,
Money Market Division
Telecopy: (212) 344-9358

RAINIER NATIONAL BANK

By _____
Vice President

Address: 1301 Fifth Avenue
Seattle, Washington 98124
Attention: Edward P. Palmer
Telex:
Telecopy:

EXHIBIT A
PROMISSORY NOTE

\$10,500,000

Dated: _____, 1983

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 "Bank") the principal sum of Ten Million Five Hundred Thousand Dollars (\$10,500,000) 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 (i) in the event where, other than Citibank, N.A. and Rainier National Bank, there are no purchasers of the Borrower's General Obligation Tax Anticipation Notes (the "Notes") at any interest rate, (a) during the first two weeks of the term of each Advance to 62-1/2% of the rate of interest announced publicly by Citibank, N.A. in New York, New York, from time to time as Citibank, N.A.'s base rate (the "Base Rate") and (b) during the remainder of such term, to the Base Rate and (ii) in the event where there are no purchasers of the Notes at a rate equal to the Base Rate, to the Base Rate. Each change in the fluctuating interest rate hereunder shall take effect simultaneously with the corresponding change in the Base 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 _____, 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 on the grid attached hereto which is part of this Promissory Bank Note.

REVISED: 01/18/83

SYS2

DOCUMENT NO. 3081E

This Promissory Bank Note is one of the Bank Notes referred to in, and is entitled to the benefits of, the Revolving Credit Agreement dated as of _____, 1983 (the "Credit Agreement") among the Borrower, the Bank [and Citibank, N.A.] [and Rainier National Bank]. 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:

REVISED: 01/18/83

SYS2

DOCUMENT NO. 3081E

APPENDIX G

AUTHORIZED
OFFICERS

<u>Title</u>	<u>Presently</u>
King County Executive	Randy Revelle
Deputy Executive	Harry Thomas
Director, Office of Finance	Robert V. Cowan, Jr.
Finance Manager, Office of Finance	D. Lee Dedrick
Cash Management Section Supervisor, Office of Finance	Larry Russell
Investment Specialist, Office of Finance	Kay Jackson