

December 5, 1984

INTRODUCED BY PAUL BARDEN

PROPOSED NO. 84-736

ORDINANCE NO. 7068

AN ORDINANCE approving Resolution No. 84-13 and Resolution No. 84-16 of the Board of Directors of the King County Economic Enterprise Corporation adopted on October 5, 1984 and December 3, 1984 respectively.

PREAMBLE:

In accordance with the provisions of Ordinance No. 6628 passed on January 3, 1984, whereby the King County Council created the King County Economic Enterprise Corporation (the "Enterprise Corporation"), and RCW 39.84.100(6), any agreement to issue revenue bonds by the Enterprise Corporation must be approved by the King County Council.

The Board of Directors of the Enterprise Corporation at a meeting on October 5, 1984 adopted Resolution No. 84-13 stating the intent of the Enterprise Corporation to issue approximately \$1,290,000 of industrial development revenue bonds for the benefit of Allpak Container, Inc., a corporation, and at a meeting on December 3, 1984 held a public hearing pursuant to 26 U.S.C. §103(k)(2)(B) and adopted Resolution No. 84-16 authorizing the issuance, sale and delivery of the \$1,290,000 of nonrecourse industrial development revenue bonds for the benefit of Allpak Container, Inc., a corporation.

BE IT ORDAINED BY THE KING COUNTY COUNCIL:

SECTION 1. Resolution No. 84-13 and Resolution No. 84-16 of the Board of Directors of the King County Economic Enterprise Corporation, and attached hereto as Exhibit A and Exhibit B, respectively, and incorporated herein by reference, are each hereby approved.

INTRODUCED AND READ for the first time this 10th day of December, 1984.

PASSED this 17th day of December, 1984.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

Gary Grant  
Chairman

ATTEST:

Dorothy M. Owens  
Clerk of the Council

APPROVED this 18th day of December, 1984.

Randy Linder  
King County Executive

## EXHIBIT A

## RESOLUTION NO. 84-13

A RESOLUTION of the Board of Directors of King County Economic Enterprise Corporation taking official action with respect to the issuance of its nonrecourse revenue bonds in the amount of \$1,290,000 to provide funds to finance the acquisition and installation of additional production machinery for Allpak Container, Inc.

WHEREAS, pursuant to Chapter 300, Laws of Washington 1981, codified as Chapter 39.84 RCW, as amended (the "Act"), Ordinance No. 6628 (the "Ordinance") of King County, Washington (the "County") and the Charter of King County Economic Enterprise Corporation (the "Enterprise Corporation"), the Enterprise Corporation is authorized to issue its nonrecourse revenue bonds to finance industrial development facilities (as defined in the Act) under the conditions and limitations set forth in the Act; and

WHEREAS, Allpak Container, Inc., a Washington corporation (the "Corporation"), intends to undertake a project consisting of the acquisition and installation of additional production machinery, fully described in Exhibit 1 hereto (the "Project") within the boundaries of County, which Project constitutes an industrial development facility under the Act; and

WHEREAS, the Board of Directors of the Enterprise Corporation deems it advisable for the Enterprise Corporation (i) to issue its nonrecourse revenue bonds (the "Bonds") for the purpose of financing the Project and (ii) to enter into contracts and agreements with the Corporation whereunder the Corporation will provide

money sufficient to pay the principal of, premium, if any, and interest on such Bonds; Now, Therefore,

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of King County Economic Enterprise Corporation, as follows:

Section 1. It is hereby determined that (a) the acquisition and installation of the Project and its operation as an industrial development facility; (b) the issuance of up to One Million Two Hundred Ninety Thousand and No/100 Dollars (\$1,290,000) principal amount of the Bonds of the Enterprise Corporation to finance all of the costs of the Project, such costs presently estimated to be approximately One Million Two Hundred Ninety Thousand and No/100 Dollars (\$1,290,000); and (c) the execution and delivery of such contracts and agreements with the Corporation as are necessary to provide for the payment by the Corporation of amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, together with certain costs of the Enterprise Corporation, will all be in furtherance of the Act, the Resolution and the Charter of the Enterprise Corporation.

Section 2. The Enterprise Corporation presently intends to authorize the issuance and sale of the Bonds pursuant to the provisions of the Act when and if requested to do so by the Corporation and hereby expresses its present approval of such issuance and sale. This resolution is not intended to legally bind the Enterprise Corporation to authorize, issue or sell the Bonds.

Section 3. The authorization, issuance and sale of the Bonds by the Enterprise Corporation contained herein are subject to the following conditions:

(a) The Bonds shall be payable solely from money received from and security provided by the Corporation;

(b) The Corporation shall enter into such contracts and agreements with the Enterprise Corporation as shall be necessary to secure payment of the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable;

(c) On or before two (2) years from date hereof (or such later date as shall be mutually satisfactory to the Enterprise Corporation and the Corporation) the Enterprise Corporation and the Corporation shall have agreed to mutually acceptable terms and conditions of the contracts and agreements referred to in Paragraph (b) of this section;

(d) The Project is determined to be consistent with policies and objectives of the County including but not limited to those policies and objectives set forth in the Ordinance;

(e) The Project and issuance of the Bonds shall have received all approvals required by law; and

(f) The Enterprise Corporation shall have received a preliminary opinion of the Enterprise Corporation's Bond Counsel that the Bonds may be issued as tax-exempt

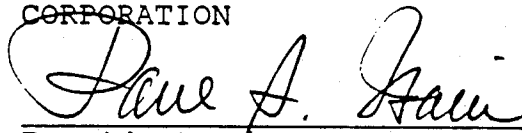
obligations pursuant to the provisions of the federal Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

Section 4. The proper officials of the Enterprise Corporation are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof and to issue the Bonds upon the terms and conditions and for the purposes stated herein and in compliance with applicable provisions of law.

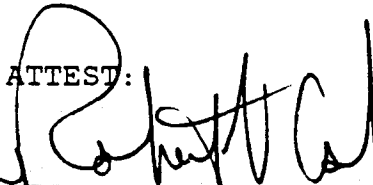
Section 5. It is intended that, as to the Project to be financed from the proceeds of the Bonds, this resolution shall constitute an official action of the Enterprise Corporation, including, without limitation, the "other similar official action" referred to in Paragraph 1.103-8(a)(5)(ii) and (iii) of the federal Income Tax Regulations.

ADOPTED by the Board of Directors of King County Economic Enterprise Corporation this 5th day of October, 1984..

BOARD OF DIRECTORS OF THE  
KING COUNTY ECONOMIC ENTERPRISE  
CORPORATION

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

(ENTERPRISE CORPORATION SEAL)

EXHIBIT 1 TO RESOLUTION NO. 84-13

Project Description

The Project consists of the acquisition of production machinery, site preparation for its installation, and installation of the machinery in a currently existing manufacturing facility, located at 480 Andover Park East and 500 Andover Park East in the City of Tukwila. The machinery to be acquired will increase the manufacturing facilities production capacity and product lines, which consist of corrugated fibreboard boxes and printed, point of purchase display and foam packaging materials for industrial users. Additional production machinery will be acquired including a Ward Rotary Die Cutter/Printer which will triple the facilities' die cutting and printing capabilities; a Post specialty Folder/Gluer which will increase product lines; and a BLO-AP-CO Trim Collection and Baling System to handle increased volume of trim from the Die Cutting Operation.

The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.



## RESOLUTION 84-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION, AUTHORIZING THE MAKING OF A LOAN TO ALLPAK CONTAINER, INC., FOR THE PURPOSE OF FINANCING THE ACQUISITION AND INSTALLATION OF INDUSTRIAL DEVELOPMENT FACILITIES BY ALLPAK CONTAINER, INC.; AUTHORIZING THE ISSUANCE OF THE COMPANY'S \$1,290,000 PRINCIPAL AMOUNT REVENUE BONDS (ALLPAK CONTAINER, INC. PROJECT), TO FUND SAID LOAN TO ALLPAK CONTAINER, INC.; PRESCRIBING THE FORM OF LOAN AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF A BOND PURCHASE CONTRACT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF ASSIGNMENT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF DEPOSITORY AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, The King County Economic Enterprise Corporation (the "Issuer"), is authorized by Ch. 39.84 RCW (the "Act"), to issue nonrecourse revenue bonds for the purpose of providing funds to make secured loans to finance or refinance the acquisition and installation of "industrial development facilities" as defined in the Act; and

WHEREAS, any bonds issued to provide funds for the making of such loan or loans shall be payable solely from the revenues received by the Issuer from the repayment of such loans and from the proceeds of the security for repayment of such loans, and such bonds shall never be construed to constitute an indebtedness of the State or of King County ("the County") or any other political subdivision, municipal corporation or quasi municipal corporation within the meaning of any constitutional or statutory provisions whatsoever; and

WHEREAS, the Issuer has by Resolution No. 84-13 adopted on October 5, 1984, authorized the undertaking of an industrial development facility consisting of the acquisition and installation of additional production machinery (the "Project Facilities") by Allpak Container, Inc. (the "Company").

WHEREAS, the Company has requested the Issuer to issue and sell its Nonrecourse Revenue Bonds (Allpak Container, Inc. Project) in the aggregate principal amount of \$1,290,000 (the "Bond"), for the purpose of making a loan to the Company to finance all or a portion of the Costs of the Project Facilities (hereinafter defined); and



WHEREAS, the Issuer and the Company have agreed to enter into a Loan Agreement (the "Loan Agreement") dated as of December 1, 1984, pursuant to which the Issuer will lend to the Company, the proceeds of the Bond under the terms and conditions stated therein; and

WHEREAS, the Issuer, contemporaneously with the execution and delivery of the Loan Agreement, will enter into a Bond Purchase Contract (the "Bond Purchase Contract") with Peoples National Bank of Washington, 411 108th Ave. N.E., Suite 200, P.O. Box 5046, Bellevue, WA 98004-5046 (the "Purchaser"), whereby the Issuer will sell and the Purchaser will purchase the Bond; and

WHEREAS, the Issuer, contemporaneously with the issuance, execution and delivery of the Bond, will assign and pledge certain of its rights in the Loan Agreement and duties following the issuance of the Bond to the Purchaser, as security for payment of the indebtedness evidenced by the Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF KING COUNTY ECONOMIC ENTERPRISE CORPORATION as follows:

## ARTICLE I

### Definitions

Section 1.01. Definitions. Certain terms used in this Resolution are hereinafter defined in this Section 1.01. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise:

"Acquisition and Installation Period" means the period between the beginning of acquisition and installation of the Project Facilities and the Completion Date.

"Act" means Chapter 300, Washington Laws of 1981 (Reg. Sess.), codified as Chapter 39.84 RCW, as the same is supplemented and amended from time to time.

"Administration Expenses" means the reasonable and necessary fees and expenses incurred by the Issuer pursuant to the Loan Agreement and this Resolution.

"Assignment" means the "Assignment," dated as of December 1, 1984, pursuant to which the Issuer assigns to the Purchaser its right, title and interest in the Loan Agreement, the Security Agreement (and duties thereunder following the issuance of the Bond).

"Authorized Company Representative" means such person at the time and from time to time designated by written certificate furnished to the Issuer, the Depository, and the Registered Owner, containing the specimen signature of such person and signed on behalf of the Company by the President or any Vice President of the Company to act on behalf of the Company.

"Basic Rate" means the Basic Rate publicly announced by Peoples National Bank of Washington. The Basic Rate is based upon a calculation of Peoples' cost of acquiring and loaning funds plus a return on its assets as a whole. The Basic Rate may or may not be the Bank's best or lowest lending rate. Any change in the interest rate on the Bond resulting from a change in the Basic Rate shall be effective on the effective date of each change in the "Basic Rate" announced by the Peoples National Bank of Washington at its principal office in Seattle, Washington.

"Bond Counsel" means a law firm or nationally recognized bond counsel selected by the Issuer.

"Bond Fund" means the general accounts of the Purchaser into which the Purchaser shall receive funds for payment of the principal of and interest on the Bond.

"Bond Purchase Contract" means the Bond Purchase Contract by and among the Issuer, the Purchaser and the Company, which provides for the purchase of the Bond by the Purchaser.

"Bond Term" means the period beginning on the date of issuance of the Bond and ending on the date of maturity of the Bond.

"Code" means the Internal Revenue Code of 1954, as amended, together with corresponding and applicable regulations promulgated or proposed and revenue rulings issued with respect thereto by the Department of Treasury and Internal Revenue Service of the United States.

"Company" means Allpak Container, Inc., a Washington corporation, and includes its successors and assigns as permitted under the Loan Agreement.

"Completion Date" means the date of substantial completion of the Project Facilities as that date shall be certified as provided in Section 4.01 of the Loan Agreement.

"Contingent Purchase Agreement" means the agreement of that name, by and between the Bank and the Company.

"Cost of the Project Facilities" means and includes the following items of cost and expense:

(i) the cost of preparing the plans and specifications for the Project Facilities (including any preliminary study thereof),

(ii) all costs of acquisition and installation of the Project Facilities (including architectural, engineering and supervisory services with respect thereto and development fees and expenses),

(iii) all fees, taxes, charges, and other expenses for recording or filing the Loan Agreement, the Assignment and the Bond,

(iv) all legal, accounting, financial, advisory, investment banking, legal investment, and any other fees, discounts, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale of the Bond, the Loan Agreement and any other documents in connection herewith and with any other transaction contemplated by the Loan Agreement or the Bond,

(v) interest coming due on the Bond prior to the Completion Date,

(vi) reimbursement to the Company for any of the above-enumerated items of cost or expense paid by it; and

(viii) any other costs authorized under the Act.

"County" means King County, a duly organized and existing municipal Company under the Constitution and laws of the State of Washington.

"Date of Taxability" means the date of taxability of interest on the Bond as defined in Section 6 of the Bond.

"Depository" means Peoples National Bank of Washington, a national banking association, having its principal offices at 1414 Fourth Avenue, P.O. Box 720, Seattle, Washington 98111-0720, as depository of the Equipment Fund.

"Depository Agreement" means the Depository Agreement dated as of December 1, 1984, by and among the Issuer, the Company, and the Depository.

"Equipment Fund" means the Equipment Fund authorized to be created in Section 4.03 of this Resolution.

"Events of Default" means those defaults specified in Section 7.01 of the Loan Agreement.

"Guarantee Agreements" means the Guarantee of Payment Agreements from Joseph F. Holton and from Donald L. Anderson for the benefit of the Issuer, each dated December 1, 1984.

"Issuer" means King County Economic Enterprise Corporation, and any successor body to the duties or functions of the Issuer.

"Loan" means the loan provided in the Loan Agreement from the Issuer to the Company of the proceeds of sale of the Bond.

"Loan Agreement" means the Loan Agreement dated as of December 1, 1984, between the Issuer and the Company as from time to time supplemented and amended.

"Loan Repayments" means those payments required to be made by the Company pursuant to Sections 3.01, 3.02 and 3.03 of the Loan Agreement.

"Official Action Resolution" means Resolution No. 84-13 of the Issuer adopted on October 5, 1984, pursuant to which the Issuer agreed to issue nonrecourse revenue bonds for the purpose of financing the Project Facilities.

"Permitted Investments" means any of the following investments:

- (i) means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America,
- (ii) direct obligations of or obligations guaranteed by any State of the United States of America or the District of Columbia, or obligations of the Federal Financing Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Intermediate Credit Bank, Banks for Cooperatives, Tennessee Valley Authority and Federal Home Loan Banks,
- (iii) commercial paper (other than commercial paper issued by the Company or any affiliated Company) rated in any of the three highest rating categories by a nationally recognized rating agency,
- (iv) corporate bonds rated in any of the three highest rating categories by a nationally recognized bond rating agency,
- (v) repurchase agreements with banks or financial institutions rated AA or better by a national rating agency provided that such banks or financial institutions have a combined capital and surplus of at least \$15,000,000

(including the Registered Owner and Depository) with respect to any of the foregoing obligations or securities, and

- (vi) money market daily accounts, deposits with or Certificates of Deposit in banks (including the Registered Owner) or savings and loan associations provided that such banks or savings and loan associations or other financial institutions have a combined capital and surplus of at least \$15,000,000.

"Project Facilities" means the acquisition and installation of additional production machinery and personalty, including but not limited to, fixtures, equipment and personal property acquired, constructed and/or installed by the Company with the proceeds of sale of the Bond. The Project Facilities are generally described in Exhibit A, attached hereto.

"Purchaser" means Peoples National Bank of Washington, a national banking association, having its principal office at 1414 Fourth Avenue, P.O. Box 720, Seattle, Washington 98111-0720, as the original purchaser and Registered Owner of the Bond.

"Registered Owner" means the Purchaser and any subsequent owner of record on the bond registration books of the Issuer.

"Security Agreement" means the Security Agreement dated as of December 1, 1984, from the Company for the benefit of the Issuer.

"State" means the State of Washington.

"Taxable Rate" means the taxable rate of interest on the Bond as defined in Section 5 of the Bond.

"Trustee" means any bank or trust company (including the Registered Owner) when acting as Trustee, paying agent and Bond Registrar pursuant to Article IX of this Resolution.

"User" means the Company an any of its corporate subsidiaries or affiliated or related companies which, from time to time, by whatever internal corporate arrangement, presently or hereafter occupies or uses the Project Facilities, in whole or in part, in connection with its trade or business.

Section 1.02. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to Articles, Sections and other subdivisions of this Resolution are to the Articles,

Sections and other subdivisions of this Resolution, as originally adopted unless expressly stated to the contrary. The headings of this Resolution are for convenience of reference only and shall not define or limit the provisions hereof.

## ARTICLE II

### Finding of the Issuer

Section 2.01. Issuer Purposes. The Issuer finds and determines that it will be in furtherance of the purposes of the Act for the Issuer (i) to lend the Company \$1,290,000 for the purpose of financing the Project Facilities; (ii) in order to fund such loan to issue and sell its \$1,290,000 Nonrecourse Revenue Bonds (Allpak Container, Inc. Project) under the terms and conditions set forth in this Resolution and (iii) to enter into the Loan Agreement to evidence the Company's obligation to repay said loan as provided therein (the "Loan") and (iv) to assign and pledge the Issuer's interest in the Loan Agreement (other than with respect to costs and indemnification under Sections 3.06, 6.01, 7.06, and 7.07 thereof, which will not be assigned and pledged), and the Security Agreement.

In reliance upon the opinion of Preston, Thorgrimson, Ellis & Holman, Bond Counsel to the Issuer, to be delivered with respect to the Bond, the Issuer hereby finds and determines that the interest on the Bond will be exempt from federal income taxation.

## ARTICLE III

### Authorization, Terms, Execution and Issuance of Bond

Section 3.01. Authorized Amount of Bond. No Bond may be issued under this Resolution except in accordance with this Article. The total principal amount of the Bond to be issued hereunder is hereby expressly limited to \$1,290,000.

Section 3.02. Bond Not a General Obligation of Issuer. The Bond shall be payable solely out of the revenues and other security assigned and pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any State Constitutional or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer (other than a liability for payment from the revenues and security assigned and pledged hereby) or a charge against its general credit.

### Section 3.03. Authorization of Bond.

A. Pursuant to the Act, there is hereby authorized to be issued hereunder, and secured as provided herein, an issue of

bonds designated as "King County Economic Enterprise Corporation, Nonrecourse Revenue Bond (Allpak Container, Inc. Project)" (the "Bond"). The Bond shall be issued as a single fully registered bond, in the denomination of \$1,290,000, shall be dated as of the date of its execution and delivery to the Purchaser and shall be in substantially the form presented to the Board of Directors at this meeting. The Bond shall be repayable in monthly principal installments beginning on January 1, 1986 and on the first business day of each month thereafter until the principal is fully repaid as follows:

<u>Year</u>	<u>Monthly Principal Payment</u>
1986	\$ 5,375.00
1987	8,062.50
1988	10,750.00
1989	21,500.00
1990	26,875.00
1991	34,937.50

The Bond shall bear interest from its date on unpaid principal at a rate equal to 69% of Peoples National Bank of Washington Basic Rate is changed from time to time, payable on January 1, 1985 and monthly thereafter on the first business day of each month for so long as any principal hereof remains unpaid. The interest rate to be paid on this Bond shall change as of the effective date of any announced change in the Basic Rate of Peoples National Bank of Washington. Interest shall be calculated on the basis of a 365-day year (or 366-day year, as the case may be) and the actual number of days elapsed.

Each such payment of the principal and interest on the Bond shall be made by the Company on behalf of the Issuer as provided in the Loan Agreement to the Registered Owner or, if a Trustee is appointed hereunder, to the Trustee. Each payment on the Bond shall be evidenced by a notation on the grid printed on the Bond.

B. In the event that the interest on the Bond shall become taxable for federal income tax purposes, other than by reason of its being held by a "substantial user" or "related person" as defined in Section 103 of the Code, the interest rate borne by the Bond shall be automatically adjusted to the Taxable Rate.

Section 3.04. Execution of Bond; Signatures. The Bond shall be executed on behalf of the Issuer by its President or Vice President and attested by its Secretary or Assistant Secretary, and its corporate seal shall be thereunto affixed.

Section 3.05. Registration and Exchange of Bond; Persons Treated as Registered Owners.

A. The Issuer shall cause books for the registration and for the transfer of the Bond as provided in this Resolution to be kept by it or a Trustee who may hereafter be appointed the Bond registrar of the Issuer for the Bond. The Bond may thereafter be transferred only upon an assignment duly executed by the Registered Owner or his attorney duly authorized in writing in such form as shall be satisfactory to the Issuer or the Trustee, such transfer to be made on such books and endorsed on such Bond by the Issuer or the Trustee. The principal of and interest on the Bond shall be payable only to or upon the order of the Registered Owner or his legal representative. Upon surrender for transfer of the Bond at the principal office of the Issuer or the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney-in-fact duly authorized in writing and upon satisfaction of the requirements of subsection B of this Section 3.05, the Issuer shall execute and deliver in the name of the transferee or transferees a new Bond in like aggregate principal amount of the Bond surrendered.

As to the Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the Bond shall be made only to or upon the written order of the Registered Owner or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Issuer or the Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The Bond may be transferred only as a whole, and only with the consent of the Issuer to such transfer, provided that such consent shall not be required for any transfer to any subsidiary of the Registered Owner, any transfer arising out of any merger or consolidation of the Registered Owner or by operation of law, any transfer to a trustee in bankruptcy of the Registered Owner, and the Registered Owner who wishes to transfer the Bond shall furnish to the Issuer, and the Company an opinion of counsel satisfactory to the Issuer, and the Company that such proposed transfer will not constitute or contribute to a violation of the registration requirements of the Securities Act of 1933, as amended, or any applicable state securities or blue sky laws. The foregoing shall not preclude the participation by the Purchaser of undivided interests in the Bond to other banks.



Section 3.06. Lost, Stolen, Destroyed, or Mutilated Bond.  
In the case of a lost, stolen, or destroyed Bond or upon surrender and cancellation of the Bond if mutilated (i) the Issuer shall execute and deliver a new Bond of the same date and maturity as the lost, stolen, destroyed or mutilated Bond or (ii) if the Bond shall have matured or have been called for redemption, in lieu of executing and delivering the new Bond as aforesaid, the Issuer may pay such Bond. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Trustee, if any, and furnish indemnity in connection with the issuance of such new Bond.

Section 3.07. Delivery of the Bond; Pledge of Loan Repayments of the Issuer From the Loan. The Issuer shall execute and deliver the Bond to the Purchaser and deposit the proceeds of sale thereof with the Depository upon receipt by the Issuer of the following documents:

(a) a fully executed copy or counterpart of the Loan Agreement and all instruments, documents and certificates required to be delivered pursuant to the terms thereof;

(b) a fully executed copy or counterpart of the Bond Purchase Contract and all instruments, documents, certificates and opinions required to be delivered pursuant to the terms thereof;

(c) a certificate signed by the Purchaser setting forth the then current Basic Rate in effect at Peoples National Bank of Washington, 1414 Fourth Avenue, P.O. Box 720, Seattle, Washington 98111-0720; and

(d) an executed copy or counterpart of the Depository Agreement.

Upon the execution and delivery of the Bond, the Issuer shall pledge the Loan Repayments and the other receipts and revenues derived pursuant to the Loan Agreement by assigning and pledging to the Purchaser (i) the Issuer's interest in the Loan Agreement (except for the Issuer's rights under Sections 3.06, 6.01, 7.06 and 7.07 thereof which will not be assigned and pledged), and (ii) the Security Agreement.

#### ARTICLE IV

##### Disposition of Proceeds of the Bond; Equipment Fund

Section 4.01. Source of Payment of Bond. The Bond and all payments by the Issuer thereunder are not general obligations of

the Issuer but are the limited, special obligations of the Issuer payable solely from the Loan Repayments and other revenues and receipts derived under the Loan Agreement and other security pledged by the Company.

Section 4.02. Disposition of Proceeds from the Sale of the Bond. The proceeds received by the Issuer from the sale of the Bond to Purchaser shall be deposited in the Equipment Fund established in Section 4.03 hereof.

Section 4.03. Equipment Fund; Disbursements. There is hereby created and established with Peoples National Bank of Washington, 1414 Fourth Avenue, P.O. Box 720, Seattle, Washington 98111-0720, acting as depository (the "Depository") a depository fund designated as "King County Economic Enterprise Corporation, Nonrecourse Revenue Bonds (Allpak Container, Inc. Project) Equipment Fund" (the "Equipment Fund"). Interest and other income received on investments of money in the Equipment Fund shall be deposited in the Equipment Fund. Such amounts shall be expended to pay the Cost of the Project Facilities in accordance with the provisions of Sections 1.05 and 4.01 of the Loan Agreement and the provisions of the Depository Agreement.

Until the Project Facilities shall have been acquired and installed and a certificate of completion of the Project Facilities filed as provided in Section 4.03 of the Loan Agreement, the Depository shall from time to time on the written request of the Company or the Issuer, file with the Company, or the Issuer, a statement of income and disbursements with respect to the Equipment Fund.

Section 4.04. Completion of the Project Facilities. The completion of the Project Facilities and payment of all the Cost of the Project Facilities shall be evidenced by the filing with the Depository of the certificate required by Section 4.01 of the Loan Agreement. As soon as practicable, any balance remaining in the Equipment Fund shall be applied as provided in the Depository Agreement. Notwithstanding any other provisions of this Resolution or of the Loan Agreement, any money shall not be invested at a yield in excess of that permitted under the Depository Agreement.

Section 4.05. Repayment to the Company From the Equipment Fund. Any amounts remaining in the Equipment Fund or otherwise held by the Depository pursuant to the terms hereof or the Depository Agreement after payment in full of the Bond (or after making provision for such payment), the fees and expenses of the Depository and the Trustee, the administration expenses, and all other amounts required to be paid hereunder and under the Loan Agreement shall be paid to the Company upon the expiration or sooner termination of the Loan Agreement.

Section 4.06. Maintenance of Books and Records. The Depository shall keep and maintain adequate records pertaining to the Equipment Fund established hereunder and all payments therefrom which shall be open to inspection by the Issuer or the Company or their duly authorized agents during normal business hours of the Depository.

## ARTICLE V

### Covenants of the Issuer

Section 5.01. Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, in the Bond and in all proceedings of the Issuer pertaining thereto not otherwise assigned to and to be performed by the Company. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bond and to adopt this Resolution, to pledge and assign the Loan Repayments and other revenues and receipts hereby pledged, and to assign its rights and duties under and pursuant to the Loan Agreement and the Security Agreement in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the adoption of this Resolution has been duly and effectively taken and will be duly taken as provided herein, and that the Bond in the hands of the Registered Owner thereof is and will be a valid and enforceable obligation of the Issuer according to the import thereof.

Section 5.02. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such resolutions supplemental hereto and such further acts, instruments, and transfers for the better conveying, assuring, transferring, assigning, pledging, and hypothecating unto the Purchaser, pursuant to Section 3.07 hereof all and singular the right, title and interest of the Issuer in the Loan Agreement, the Loan Repayments, and any other revenues and receipts pledged hereby to the payment of the principal of and interest on the Bond in the manner and to the extent contemplated herein.

Section 5.03. Payment of Principal and Interest. The Issuer will promptly pay or cause to be paid the principal of and interest on the Bond according to the terms hereof. The principal of and interest on the Bond are payable solely from Loan Repayments and other receipts and revenues derived under the Loan Agreement and from the other security pledged hereby, which Loan Repayments and other receipts and revenues and security are hereby specifically pledged to the payment thereof in the manner and to the

extent herein specified. Nothing in the Bond or in this Resolution shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 5.04. Supplemental Resolutions; Recordation of Resolution and Supplemental Resolutions. The Issuer will execute and deliver all resolutions, supplemental hereto, and will cause this Resolution, the Loan Agreement and all supplements hereto and thereto, as well as all security instruments, financing statements, and all supplements thereto, and other instruments as may be requested by the Registered Owner at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Registered Owner and all rights of the Registered Owner hereunder. The Issuer shall not be required to file any security instruments except for those prepared and requested by the Registered Owner.

Section 5.05. Lien of Resolution. The Issuer hereby agrees not to knowingly create or suffer to be created any lien having priority or preference over the lien of this Resolution upon the funds or assets pledged hereby or any part thereof, other than the security interest granted by it to the Registered Owner, except as otherwise specifically provided herein. The Issuer agrees that no obligations the payment of which are secured by Loan Repayments or other money or amounts derived from the Loan Agreement and the other sources provided herein will be issued by it except in accordance with this Resolution.

Section 5.06. Rights Under the Loan Agreement. The Issuer will observe all of the obligations, terms, and conditions required on its part to be observed or performed under the Loan Agreement to the extent not assigned to and to be performed by the Company. The Issuer agrees that whenever in the Loan Agreement it is stated that the Issuer will notify the Registered Owner or give the Registered Owner some right or privilege, or in any way attempt to confer upon the Registered Owner the ability for the Registered Owner to protect the security for payment of the Bond, that such part of the Loan Agreement shall be as though it were set out in this Resolution in full.

The Resolution and the rights and privileges of the Registered Owner hereunder are specifically made subject to the rights and privileges of the Company under the Loan Agreement and nothing herein shall be construed to impair the rights and privileges granted to the Company under the Loan Agreement, except as otherwise provided in the Loan Agreement or this Resolution.

The Issuer agrees that the Registered Owner, as assignee of its interest in the Loan Agreement and Security Agreement, may enforce, in its name or in the name of the Issuer, all rights of

the Issuer and all obligations of the Company under and pursuant to the Loan Agreement (except for unassigned rights) for and on behalf of the Issuer, whether or not the Issuer is in default hereunder.

## ARTICLE VI

### Redemption of Bond Prior to Maturity

Section 6.01. Redemption of the Bond. The Bond is redeemable by the Issuer, at the direction of the Company or, in certain circumstances set forth in the Bond, at the direction of the Registered Owner, exercised in the manner set forth in the Bond. In addition the Company may be required to prepay the Bond prior to its stated maturity under certain conditions set forth in full in the Bond.

## ARTICLE VII

### Investments

Section 7.01. Investment of Equipment Fund. Any money held as part of the Equipment Fund shall be invested or reinvested by the Depository at the written request and direction of the Authorized Company Representative (upon which the Depository is entitled to rely) in Permitted Investments. All investments shall either be subject to redemption at any time at a fixed value at the option of the Depository or shall mature not later than the business day prior to the date on which the proceeds are expected to be expended. For the purposes of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor (or purchaser, in the case of a repurchase agreement) is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation.

Section 7.02. Sale of Investments. The Depository shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in the Equipment Fund is insufficient for the purposes of such fund.

Section 7.03. Depository Duty to Invest. The Depository may, in its discretion, invest money in the Equipment Fund in Permitted Investments as permitted under Section 7.01 hereof, unless the Company shall, by written instruction of the Authorized Company Representative, direct the investment of the Depository of such money in specific Permitted Investments.

## ARTICLE VIII

### Default Provisions and Remedies of Registered Owners

Section 8.01. Events of Default and Remedies. The events of default specified in the Loan Agreement and the remedies specified therefor are hereby incorporated within this Resolution and approved.

## ARTICLE IX

### Conditions for Delivery of Bond; Conditions as to Subsequent Sale of Bond

Section 9.01. Stipulations and Agreements. Notwithstanding anything to the contrary herein contained, the Bond shall not be delivered to the Purchaser unless and until the Purchaser waives any "due diligence" requirement on the part of the Board of Directors of the Issuer and the Purchaser agrees to rely solely on statements and representations of the Company and its own investigation of the facts and circumstances relating to the purchase of the Bond.

Section 9.02. Appointment of Trustee. Prior to any sale, conveyance or transfer of all or any portion of the Bond to any subsequent Registered Owner, and, upon payment of its costs and fees, the Issuer shall adopt a supplemental resolution appointing any bank or trust Company qualified to act as a trustee under the Act (including the Registered Owner) as Trustee, for the Registered Owner or Registered Owners of the Bond and prescribing the rights, duties and obligations of said Trustee. Any entity acting as trustee hereunder shall not be liable for actions taken by it hereunder in good faith, absent its own negligence or willful misconduct.

Section 9.03. Separate Trustee. At any time, for the purpose of exercising any remedies granted in this Resolution or the Loan Agreement, the Issuer and the Registered Owner shall have power to appoint an additional institution or individual as Trustee, and upon the request of the Registered Owner, the Issuer shall for such purpose join with the Registered Owner in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as trustee, and to vest in such person or institution, in such capacity, such rights, powers, duties, trusts or obligations as the Issuer and the Registered Owner may consider necessary or desirable.

## ARTICLE X

### Supplemental Resolutions

Section 10.01. Resolution to Constitute Contract. Subject to the rights of the Company under Sections 10.02 and 10.03(b) hereof this Resolution shall constitute a contract between the Issuer and the Registered Owner and shall not be modified, amended or rescinded so long as any portion of the Bond remains outstanding, except as otherwise provided herein.

Section 10.02. Supplemental Resolutions Not Requiring Consent of Registered Owner. The Issuer may with the consent of the Company, and with notice to the Registered Owner, adopt a resolution or resolutions supplemental to this Resolution as shall not be inconsistent with the terms and provisions hereof or be materially adverse to the Registered Owner or the Company for any one or more of the following purposes:

A. to cure any ambiguity or defect in form or omission in this Resolution; or

B. to grant to or confer upon the Registered Owner any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owner; or

C. for the purposes specified in Article IX hereof.

Section 10.03. Supplemental Resolutions Requiring Consent of Registered Owner and Company.

A. The Registered Owner shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any supplemental resolution; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, reduction in the rate, or extension of the time of payment of interest on or (ii) the creation of any interest prior to or, on a parity with the interest of the Registered Owner, or (iii) a reduction in the aggregate principal amount of any Bond without the consent of the Issuer and the Registered Owner.

B. The Issuer shall cause notice of the proposed adoption of any such supplemental resolution to be mailed by certified or registered mail to the Registered Owner and, in the case of a proposed supplemental resolution which would affect the rights of the Company (no such supplemental resolution being effective without the Company's having consented or being deemed to have consented thereto), to the Company at least fifteen (15) days prior to the proposed date of adoption of any supplemental resolution. The Company and the Registered Owner shall be deemed to have consented to the adoption of any such supplemental resolution if the Issuer does not receive a letter of protest or objection thereto signed by or on behalf of the Company or the Registered Owner on or before the last (15th) day after the mailing of said notice and a copy of the proposed supplemental resolution.

## ARTICLE XI

### Amendments to the Loan Agreement

Section 11.01. Amendments Not Requiring Consent of Registered Owner. The Issuer and/or the Trustee, if any, may, without notice to the Registered Owner, consent to any amendment, change or modification of the Loan Agreement, as may be required (i) by the provisions of the Loan Agreement and this Resolution, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Issuer, is not materially adverse to the Registered Owner. Notwithstanding the foregoing, to the extent not adverse to the interest of the Registered Owner, the Issuer may, without the consent of, but with prior notice to the Company and the Registered Owner, amend, modify or supplement this Resolution to preserve the right of the Issuer to continue to issue bonds, debts or other obligations of any nature the interest income of which is exempt from federal or state income tax or to qualify this Resolution under the "Blue Sky" laws of any state and such similar laws of the United States, if such be hereafter required in the opinion of counsel to the Issuer.

Section 11.02. Amendments Requiring Consent of Registered Owner. Except for the amendments, changes or modifications as provided in Section 11.01 hereof, the Issuer or the Trustee, if any, shall not consent to any other amendment, change or modification of the Loan Agreement without notice to and the consent of the Registered Owner at the time outstanding given and procured in the same fashion as in Section 10.03 of this Resolution providing for supplemental resolutions.



## ARTICLE XII

### Approval and Execution of Documents; Effectiveness of Resolution

Section 12.01. Approval. The Bond Purchase Contract and the following documents (collectively the "Documents") as presented to the Board of Directors on this date, are hereby in all respects authorized, approved and confirmed:

- A. the Loan Agreement;
- B. the Security Agreement;
- C. the Assignment;
- D. the Bond Purchase Contract;
- E. the Depository Agreement; and
- F. the Bond.

Pursuant to the Assignment, all right, title and interest in the Loan Agreement, the Security Agreement shall be assigned to the Purchaser except for rights to indemnification and compensation which are hereby specifically retained. The Registered Owner is hereby authorized to exercise all rights granted to the Issuer as Beneficiary under the Security Agreement.

The Documents shall be in substantially the form as presented at this meeting with such necessary and appropriate variations, omissions and insertions as approved, permitted or required by the officer of the Issuer executing said Documents, provided that such changes shall be within the scope of the transactions authorized by the Act. Such execution shall be conclusive evidence of the due execution, on behalf of the Issuer, of such Documents, which shall thereupon become binding upon the Issuer in accordance with their terms as authorized by the Act.

Section 12.02. Execution. The President and Secretary of the Issuer are hereby authorized to execute and deliver for and on behalf of the Issuer the Bond and the Documents in the fashion and within the scope set forth in the preceding Section, as well as any additional certificates, documents or other papers to perform all other acts as they deem necessary or appropriate to implement and carry out the matters herein authorized.

Section 12.03. Effectiveness of Resolution. This Resolution shall be in full force and effect from and after (a) its adoption by the Board of Directors of the Issuer and (b) approval of the issuance of the Bond by County Council of King County, all as

provided by law. All resolutions or orders, or parts thereof, which conflict with the provisions of this Resolution are hereby waived to the extent of such conflict.

## ARTICLE XIII

### Miscellaneous

Section 13.01. Consents and Other Instruments of Registered Owner. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Resolution to be signed and executed by the Registered Owner may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owner in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Issuer with regard to any action taken under such instrument, namely:

A. The fact and date of the execution by any person of any such instrument may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument acknowledged to him the execution thereof. When such execution is by an officer of a Company or association or a member of a partnership on behalf of such Company, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

B. Any request, consent or vote of the Registered Owner shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Issuer in pursuance of such request, consent or vote.

Section 13.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Resolution or the Bond is intended or shall be construed to give to any person other than the parties hereto, the Company and the Registered Owner any legal or equitable right, remedy, or claim under or in respect to this Resolution or any covenants, conditions and provisions hereof.

Section 13.03. Severability. If any provision of this Resolution shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in

any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections of this Resolution shall not affect the remaining portions of this Resolution, or any part thereof.

Section 13.04. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, and addressed as provided in the Loan Agreement.

ADOPTED AND APPROVED at a special meeting of the Board of Directors held this December 4, 1984.

KING COUNTY ECONOMIC ENTERPRISE CORPORATION

By   
Acting President

Attest:

  
Secretary

## Exhibit A

### Project Facilities Description

The Project Facilities consist of the acquisition of production machinery, site preparation for its installation, and installation of the machinery in a currently existing manufacturing facility, located at 480 Andover Park East and 500 Andover Park East in the City of Tukwila. The machinery to be acquired will increase the manufacturing facilities production capacity and product lines, which consist of corrugated fibreboard boxes and printed, point of purchase display and foam packaging materials for industrial users. The production machinery to be acquired may include a Rotary Die Cutter/Printer; a Folder/Gluer; and a Trim Collection and Bailing System.

The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.

