

December 5, 1984

INTRODUCED BY: PAUL BARDEN

PROPOSED NO. 84-737

ORDINANCE NO. 7089

AN ORDINANCE approving Resolution No. 84-12 and Resolution No. 84-18 of the Board of Directors of the King County Economic Enterprise Corporation adopted on September 7, 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 September 7, 1984 adopted Resolution No. 84-12 stating the intent of the Enterprise Corporation to issue approximately \$800,000 of industrial development revenue bonds for the benefit of Franck/Thomas Partnership, a partnership, 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. 84-18 authorizing the issuance, sale and delivery of \$600,000 of nonrecourse industrial development revenue bonds for the benefit of Franck/Thomas Partnership, a partnership.

BE IT ORDAINED BY THE KING COUNTY COUNCIL:

SECTION 1. Resolution No. 84-12 and Resolution No. 84-18 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. Quinn
Clerk of the Council

APPROVED this 18th day of December, 1984.

Randy Quicker
King County Executive

RESOLUTION NO. 84-12

A RESOLUTION of the Board of Directors of the King County Economic Enterprise Corporation determining to sell bonds to provide funds to finance an industrial development facility for Franck/Thomas Partnership, within the King County, Washington, and determining related matters.

WHEREAS, the King County Economic Enterprise Corporation (the "Issuer") is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purposes of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring and constructing industrial development facilities within King County, Washington; and

WHEREAS, in order to facilitate economic development and employment opportunities, Franck/Thomas Partnership, a Washington corporation (the "Partnership"), intends to acquire and construct an industrial development facility (the "Project") within King County, a description and estimated cost of which are contained in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Partnership has requested the Issuer to issue and sell its revenue bonds pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project; and

WHEREAS, the Issuer desires to assist the Partnership by issuing and selling revenue bonds and lending the bond proceeds to the Partnership to assist in paying the costs of the Project, thereby promoting economic development and employment opportunities within King County and the State of Washington; and

WHEREAS, it is considered essential that acquisition and construction of the Project be completed at the earliest practicable date, but the Partnership wishes to begin construction of the Project only after receiving satisfactory assurances from the Issuer that the proceeds from the sale of revenue bonds of the Issuer in an amount necessary to pay the costs of the Project will be loaned to the Partnership to assist in financing the Project; and

WHEREAS, the Issuer considers that the acquisition and construction of the Project, and the financing of the same, will promote the purposes of the Act and the public purposes of the Issuer; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5), adopted under Section 103 of the Internal Revenue Code of 1954, as amended, requires that, in order for interest on industrial development bonds to be exempt from federal income taxation, the issuer of such bonds must adopt a bond resolution with respect to such bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of construction or the acquisition of the Project being financed with the proceeds of such bonds, and one of the purposes of this

resolution is to satisfy the requirements of such regulation;
NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of King
County Economic Enterprise Corporation as follows:

Section 1. The establishment of the Partnership's warehousing facility within King County and the State of Washington will result in significant benefits to the County and the State, will contribute to the alleviation of unemployment in the County and the State, will have a favorable impact upon the economy of the County and the State and will promote the welfare of the citizens of the County and the State.

Section 2. To insure the construction and acquisition of the Project, with the public benefits resulting therefrom, the Issuer will issue and sell its nonrecourse revenue bonds or other obligations (the "Bonds") pursuant to the provisions of the Act in a principal amount of not to exceed \$800,000 to assist in financing the cost of the Project described in Exhibit A together with the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The proceeds of the Bonds will be used to assist in financing the construction and acquisition of the Project.

Section 4. The Bonds will be payable solely from both the revenues derived as a result of the Project funded by the Bonds, including, without limitation, amounts received under the terms

of any financing document or by reason of any additional security furnished by the Partnership in connection with the financing of the Project, and, if necessary, from money and other property received from other private sources. The Bonds shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by the Board of Directors of the Issuer.

Section 5. The Bonds shall be issued subject to the conditions that (a) the Issuer, the Partnership and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, (b) all governmental approvals and certifications and findings required by the Act and other laws applicable to the Bonds first shall have been obtained, and (c) the Partnership shall have agreed to reimburse the Issuer for all fees and costs incurred by the Issuer in connection with or by reason of the financing of the Project and to pay such other reasonable expenses of the Issuer or King County in enabling this financing to be accomplished.

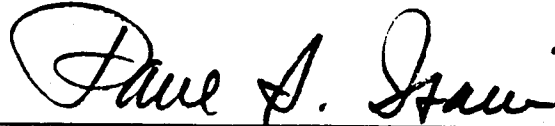
Section 6. The Partnership is authorized to commence construction of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all

expenditures to the extent provided herein and only out of proceeds, if any, of the issue of Bonds herein authorized.

Section 7. It is intended that this resolution shall constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

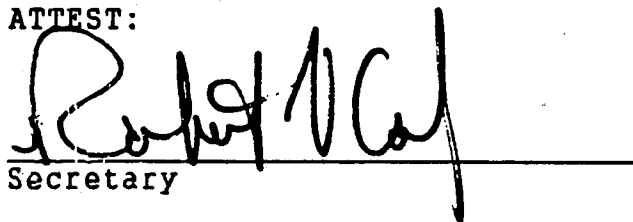
ADOPTED by the Board of Directors of the King County Economic Enterprise Corporation at a regular open public meeting this 7th day of September, 1984.

BOARD OF DIRECTORS
KING COUNTY ECONOMIC ENTERPRISE
CORPORATION



President

ATTEST:



Secretary

EXHIBIT A
TO RESOLUTION NO. 84-12

Project Description

The project consists of the acquisition of land and the acquisition, construction and equipping of a 24'0" clear height tilt up concrete warehouse and service area of approximately 20,000 sq. ft., including approximately 3,000 sq. ft. of appurtenant office space on two levels. Truck height receiving and shipping areas as well as ground level access are provided. The facility will warehouse industrial equipment and materials. Outside storage and parking for approximately 27 vehicles will be provided. Landscaping and paving will be added to comply with code requirements. The Project will be located at 601 - S.W. Seneca in the City of Renton. The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.

Estimated cost of the project is \$800,000.

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EXHIBIT B

RESOLUTION 84-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION, AUTHORIZING THE MAKING OF A LOAN TO FRANCK/THOMAS PARTNERSHIP, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, EQUIPPING OF INDUSTRIAL DEVELOPMENT FACILITIES BY FRANCK/THOMAS PARTNERSHIP; AUTHORIZING THE ISSUANCE OF THE CORPORATION'S \$600,000 PRINCIPAL AMOUNT INDUSTRIAL REVENUE BOND ("FRANCK/THOMAS PARTNERSHIP PROJECT"), TO FUND SAID LOAN TO FRANCK/THOMAS PARTNERSHIP; 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, King County Economic Enterprise Corporation (the "Issuer"), is authorized by Ch. 39.84 RCW (the "Act"), to issue industrial revenue bonds for the purpose of providing funds to make secured loans to finance or refinance the acquisition, construction, and equipping 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. 84-12 adopted on September 7, 1984, authorized the undertaking of an industrial development facility consisting of the acquisition of land and construction and equipping of a distribution warehouse and servicing area (the "Project Facilities") by Franck/Thomas Partnership (the "Partnership"); and

WHEREAS, the Partnership has requested the Issuer to issue and sell its Industrial Revenue Bond ("Franck/Thomas Partnership Project") in the aggregate principal amount of \$600,000 (the "Bond"), for the purpose of making a loan to the Partnership to finance all or a portion of the Costs of the Project Facilities (hereinafter defined); and

WHEREAS, the Issuer and the Partnership 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 Partnership 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 Rainier National Bank, 1301 5th Avenue, Seattle, Washington 98101 (the "Registered Owner"), whereby the Issuer will sell and the Registered Owner 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 Registered Owner, 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 or in other documents defined herein 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:

"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 Registered Owner its right, title and interest (except for certain unassigned rights) in the Loan Agreement and the Security Document (and duties thereunder following the issuance of the Bond).

"Authorized Partnership 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 Partnership by a general partner of the Partnership to act on behalf of the Partnership.

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

"Bond Purchase Contract" means the Bond Purchase Contract by and among the Issuer, the Registered Owner and the Partnership, which provides for the purchase of the Bond by the Registered Owner.

"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.

"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.

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

"Construction Period" means the period between the beginning of construction of the Project Facilities and the Completion Date.

"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 acquiring, constructing, and equipping 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, the Bond, and UCC forms and related documents required to be filed or recorded;

(iv) all legal, accounting, financial, advisory, investment banking, 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;

(vi) interest coming due on the Bond prior to the Completion Date;

(vii) reimbursement to the Partnership 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 corporation under the Constitution and laws of the State of Washington.

"Depository" means Rainier National Bank, a national banking association, having its offices at 235 Strander Blvd. PO Box 88726 Tukwila, Washington 98188, as depository of the Construction Fund.

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

"Events of Default" means those defaults specified in Section 7.01 of the Loan Agreement and Section 8 of the Bond.

"Indemnification and Compensation Agreement" means the Indemnification and Compensation Agreement dated as of August 17, 1984 between the Issuer and the Partnership.

"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 Partnership 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 Partnership as from time to time supplemented and amended.

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

"Official Action Resolution" means Resolution No. 84-12 of the Issuer adopted on September 7, 1984, pursuant to which the Issuer agreed to issue an industrial revenue bond for the purpose of financing the Project Facilities.

"Partnership" means Franck/Thomas Partnership, a Washington general partnership, and includes its successors and assigns as permitted under the Loan Agreement.

"Permitted Encumbrances" means (i) the Loan Agreement, (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that in the opinion of counsel to the Grantor will not materially impair the utility or value of the property affected thereby for the purposes for which it is intended, (iii) mechanics', materialmen's, warehousemen's, carriers' and other similar liens which are being appropriately contested in good faith by the Grantor, and as to which adequate reserves have been set aside in conformity with generally accepted accounting principles, (iv) liens for taxes at the time not delinquent, (v) lease agreements, lease purchase agreements, conditional sale and other title retention devices with respect to furnishings and equipment, (vi) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the real property described in Exhibit A to the Security Document and as do not in the aggregate, in the opinion of independent counsel, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Grantor, (vii) those of record as of the date of recording the Security Document, and (viii) junior liens with the prior written consent of the Registered Owner.

"Permitted Investments" means any of the following investments:

- (i) 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 Partnership or any affiliated business association) 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 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 have a combined capital and surplus of at least \$15,000,000.

"Prime Rate" means the interest rate established periodically by senior management of Rainier National Bank as an index rate and published as the Rainier National Bank Large Business Prime Rate or Prime Rate. Each change in the Prime Rate shall be effective as to the interest rate on the Bond on the day of each announced change.

"Project Facilities" means the acquisition of land and construction and equipping of a distribution warehouse and servicing area and personalty, including but not limited to, buildings, related structures, fixtures, equipment and personal property acquired, constructed and/or installed by the Partnership with the proceeds of sale of the Bond. The Project Facilities are generally described in Exhibit A, attached hereto.

"Purchaser" means Rainier National Bank, a national banking association, having its principal office at 1301 5th Avenue, Seattle, Washington 98101, 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 Document" means the Deed of Trust, Security Agreement and Assignment of Leases and Rents dated as of December 1, 1984, from the Partnership for the benefit of the Issuer.

"State" means the State of Washington.

"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 Partnership and any of its general partners or affiliated or related businesses which, from time to time, by whatever internal 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 Partnership \$600,000 for the purpose of financing the Project Facilities; (ii) in order to fund such loan to issue and sell its \$600,000 Industrial Revenue Bond ("Franck/Thomas Partnership Project") under the terms and conditions set forth in this Resolution; (iii) to enter into the Loan Agreement to evidence the Partnership'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 Document.

The Issuer further finds and determines that the revenues to be received from the Partnership pursuant to the Loan Agreement and the Security Document will be sufficient to pay the principal of and interest on the Bond.

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 \$600,000.

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, a bond designated as "King County Economic Enterprise Corporation, Industrial Revenue Bond (Franck/Thomas Partnership Project)" (the "Bond"). The Bond shall be issued as a single fully registered bond, in the denomination of \$600,000, shall be dated as of the date of its execution and delivery to the Registered Owner and shall be in substantially the form presented to the Board of Directors at this meeting.

The Bond bears interest on unpaid principal from its date at a fully floating rate equal to sixty-eight (68%) of the Prime Rate as such Prime Rate is changed from time to time, with the rate adjusted to seventy-five percent (75%) of the Prime Rate on the fifth anniversary of the date of the Bond, as such Prime Rate may be changed from time to time. The interest rate to be paid on the Bond shall change as of the effective date of any announced change in the Prime Rate. Interest shall be calculated on the basis of a 360-day year and the actual number of days elapsed.

The Bond shall be payable in installments consisting of interest or principal plus interest. Principal on the Bond shall be payable in monthly installments of \$1,000, which principal installment payment shall increase by \$150 on the first day of May, 1986 and annually thereafter on the first day of May each year. Payments of monthly installments of principal shall commence on June 1, 1985, and thereafter on the first day of each month, with the final payment nevertheless due on May 1, 2005.

Interest on the Bond shall be payable commencing on February 1, 1985, and monthly thereafter until the principal amount thereof and all accrued interest thereon shall have been paid in full or payment thereof duly provided for. Payments shall be applied first to interest and then to principal, provided, that payments made pursuant to Section 5 of the Depository Agreement shall be applied as provided therein.

Each such payment of the principal and interest on the Bond shall be made by the Partnership on behalf of the Issuer as provided in the Loan Agreement to the Registered Owner in Tukwila, Washington, or as otherwise specified in the Bond, 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 rate set forth in Section 5 of the Bond.

C. The interest rate on the Bond shall be subject to adjustment as a result of certain changes in the Code as provided in the Bond.

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 notice to the Issuer of such transfer, provided that such notice shall not be required for any transfer to any affiliate 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, or any transfer in connection with a sale to any institutional investor, provided that such institutional investor shall execute and deliver to the Issuer a written agreement to be bound by the restrictions on transfer set forth in this Section 3.05 B. The Registered Owner who wishes to transfer the Bond shall furnish to the Issuer and the Partnership an opinion of counsel satisfactory to the Issuer 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 Registered Owner of undivided interests in the Bond to other banks, in which event the foregoing opinion need not be provided.

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 Registered Owner 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 Registered Owner setting forth the then current Prime Rate in effect at Rainier National Bank, Seattle, Washington; 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 Registered Owner (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 Document.

ARTICLE IV

Disposition of Proceeds of the Bond; Construction 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 Partnership.

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 the Registered Owner shall be deposited in the Construction Fund established in Section 4.03 hereof.

Section 4.03. Construction Fund; Disbursements. There is hereby created and established with Rainier National Bank, 235 Strander Blvd., P.O. Box 88726, Tukwila, Washington 98188, acting as depository (the "Depository") a depository fund designated as "King County Economic Enterprise Corporation, Industrial Revenue Bond (Franck/Thomas Partnership Project) Construction Fund" (the "Construction Fund"). Interest and other income received on investments of money in the Construction Fund shall be deposited in the Construction 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. The Depository is hereby authorized and directed to issue its checks on the Construction Fund for each payment in accordance with Section 4 of the Depository Agreement.

Until the Project Facilities shall have been constructed, acquired, and installed and a certificate of completion of the

Project Facilities filed as provided in Section 4.01 of the Loan Agreement, the Depository shall from time to time on the written request of the Partnership, or the Issuer, file with the Partnership, or the Issuer, a statement of income and disbursements with respect to the Construction Fund.

Section 4.04. Construction of the Project Facilities. The completion of the construction 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 after the Completion Date, any balance remaining in the Construction 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 Partnership From the Construction Fund. Any amounts remaining in the Construction 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 Partnership 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 Construction Fund established hereunder and all payments therefrom which shall be open to inspection by the Issuer or the Partnership 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 Partnership. 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 Document 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 Registered Owner, 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 except to the extent assigned to and to be performed by the Partnership. 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 Partnership under the Loan Agreement and nothing herein shall be construed to impair the rights and privileges granted to the Partnership 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 Document, may enforce, in its name or in the name of the Issuer, all rights of the Issuer and all obligations of the Partnership 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 Partnership 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 Partnership 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 Construction Fund. Any money held as part of the Construction Fund shall be invested or reinvested by the Depository at the written request and direction of the Authorized Partnership Representative or upon oral instruction by an Authorized Partnership Representative promptly confirmed in writing (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 Construction 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 Construction Fund in Permitted Investments as permitted under Section 7.01 hereof, unless the Partnership shall, by written instruction of the Authorized Partnership 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, the Bond and the Security Document 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 Registered Owner unless and until the Registered

Owner waives any "due diligence" requirement on the part of the Board of Directors of the Issuer and the Registered Owner agrees to rely solely on statements and representations of the Partnership 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 by the Registered Owner, the Issuer may 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. If the Issuer shall not have made such appointment within fifteen (15) days of the receipt of a request so to do, or in case that an event of default shall have occurred and be continuing, the Registered Owner alone shall have the power to make such appointment.

ARTICLE X

Supplemental Resolutions

Section 10.01. Resolution to Constitute Contract. Subject to the rights of the Partnership 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 Partnership, 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 of the Bond 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 Partnership.

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 the Bond without the consent of the Issuer and Registered Owner, 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 Partnership (no such supplemental resolution being effective without the Partnership having consented or being deemed to have consented thereto), to the Partnership at least fifteen (15) days prior to the proposed date of adoption of any 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 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 Partnership 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 Assignment;
- C. the Bond Purchase Contract;
- D. the Depository Agreement;

E. the Bond; and

F. the Security Document.

Pursuant to the Assignment, all right, title and interest in the Loan Agreement and the Security Document shall be assigned to the Registered Owner 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 Document.

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 the 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 corporation or association or a member of a partnership on behalf of such corporation, 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.

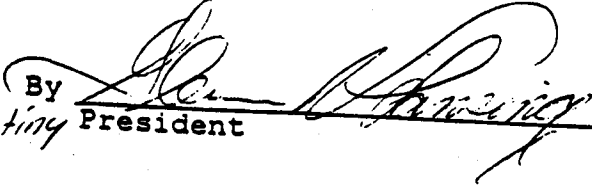
Section 13.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Resolution or the Bond is intended or shall be construed to give to any person other than the parties hereto, the Partnership and the Registered Owner any legal or 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 3, 1984.

KING COUNTY ECONOMIC ENTERPRISE CORPORATION

By 
Acting President

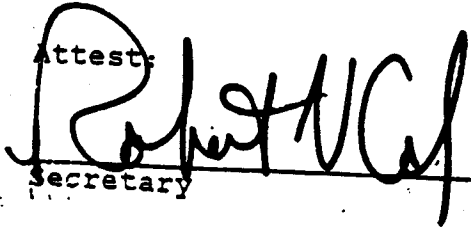
Attest:

Secretary

Exhibit A

Project Facilities Description

The Project Facilities consist of the acquisition of land and the acquisition, construction and equipping of a 24'0" clear height tilt up concrete warehouse and service area of approximately 20,000 sq. ft., including approximately 3,000 sq. ft. of appurtenant office space on two levels. Truck height receiving and shipping areas as well as ground level access are provided. The facility will warehouse industrial equipment and materials. Outside storage and parking for approximately 27 vehicles will be provided. Landscaping and paving will be added to comply with code requirements. The Project will be located at 601 - S.W. Seneca in the City of Renton. The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.