

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY

VASHON PARK DISTRICT

TAX ANTICIPATION NOTE, 2016 (TAXABLE)

VASHON PARK DISTRICT, KING COUNTY, WASHINGTON (the "District"), a municipal corporation of the State of Washington, promises to pay to Banner Bank (the "Bank"), the Registered Owner hereof, on June 30, 2017 (the "Maturity Date"), or on early redemption, an amount equal to all incremental loan draws (the "Loan Draws") made in accordance with the terms of this Note and Resolution No. R1-16-25 of the District (the "Note Resolution"), the aggregate principal amount of which Loan Draws shall not exceed Two Hundred Thousand Dollars (\$200,000) at any one time outstanding.

Loan Draws on this Note shall bear interest at 4.25% (the "Interest Rate"). Interest on each Loan Draw shall accrue from the date of that Loan Draw and shall be computed on the principal amount of the Loan Draw outstanding on the basis of a year of 360 days and the actual number of days elapsed from the date the principal amount of the Loan Draw is outstanding. The outstanding principal balance of this Note and accrued interest thereon, is payable on the Maturity Date, if not sooner paid. Interest on any principal amount of this Note which is paid or prepaid shall cease to accrue on the date such payment or prepayment is received by the Bank.

Payments of principal and interest shall be paid to the registered owner at the address appearing on the books or records maintained by the Treasury Operations Section, Finance and Business Operations Division, Department of Executive Services of King County, Washington, *ex officio* Treasurer of the District (the "Note Registrar"), by check or draft, or by wire transfer or electronic debit made on the Maturity Date or early prepayment date. Interest on any principal amount of this Note which is paid or prepaid shall cease to accrue on the date of such payment or prepayment. Principal repaid may be reborrowed. When this Note has been paid in full, both principal and interest, this Note shall be surrendered by the Registered Owner to the Note Registrar, who shall cancel the Note.

The District may make incremental Loan Draws in any amount and on any business day during the term of this Note for the purpose of providing the funds with which to pay the cost of paying all or a part of District expenses pending the receipt of a portion of the regular property taxes levied for collection in 2016 and in 2017. No Loan Draw may exceed the total amount of the costs to be paid from such draw, and the proceeds of each Loan Draw shall be used immediately to pay those costs. Loan Draws shall be recorded on the Loan Draw Record attached to this Note as Exhibit A and made a part hereof by this reference, or in such other form as the District and the Bank may agree.

The principal of and interest on this Note are payable in lawful money of the United States of America solely from the proceeds of tax levy collections to be deposited in the Note Debt Service Fund of the District.

The District has budgeted and will levy taxes on all of the taxable property in the District for collection in 2016 and in 2017 and irrevocably pledges to set aside and deposit in the Note Fund amounts from those taxes received, sufficient to repay on the Maturity Date all Loan Draws plus accrued interest thereon. In addition, for as long as any Loan Draw on the Note remains outstanding, the District irrevocably pledges to include in its budget and to levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the District on all of the taxable property within the District in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the Note, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

The District reserves the right and option to prepay and redeem at any time prior to its stated maturity date any or all of the principal amount of this Note outstanding at par plus accrued interest to the date of redemption, and notice to the Bank of any intended prepayment or redemption of this Note shall not be required. Interest on this Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment. The District may prepay any portion of the Note at any time without fee. Payments on Loan Draws shall be recorded on the Loan Payment Record attached to this Note as Exhibit B and made a part hereof by this reference, or in such other form as the District and the Bank may agree.

Reference is made to the Note Resolution for other covenants and declarations of the District and other terms and conditions upon which this Note has been issued, which terms and conditions are made a part hereof by this reference. The District irrevocably and unconditionally covenants that it will keep and perform all of the covenants of this Note and of the Note Resolution. Reference also is made to the Note Resolution for the definitions of capitalized terms used but not otherwise defined herein.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Note Registrar.

The principal of and interest on this Note shall be paid only to the Registered Owner whose name appears on the Note Register and to no other person or entity, and this Note may not be assigned or transferred except to a successor in interest of the Registered Owner. As used herein, Registered Owner means the person or entity named as Registered Owner of this Note on the first page hereof and on the Note Register.

It is certified, recited and declared that this Note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the resolutions of the District, and that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been done, have happened and have been performed as required by law, and that the total indebtedness of the District, including this Note, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the District has caused this Note to be signed by the Chair and Secretary of the Board of Commissioners this 16th day of August, 2016.

VASHON PARK DISTRICT, KING COUNTY,
WASHINGTON

By
Chair of the Board of Commissioners

By
Secretary of the Board of Commissioners

CERTIFICATE OF AUTHENTICATION

This Note is the fully registered Vashon Park District, King County, Washington, Tax Anticipation Note, 2016 (Taxable) (Revolving Line of Credit), described in the Note Resolution.

DATED: August 16, 2016.

Treasury Operations Section, Finance and Business
Operations Division, Department of Executive
Services, King County, Washington and *ex officio*
Treasurer of the District, Note Registrar

EXHIBIT A
LOAN DRAW RECORD

	Loan Draw Date	Loan Draw Amount	Note Total
Draw No. 1			
Draw No. 2			
Draw No. 3			
Draw No. 4			
Draw No. 5			
Draw No. 6			
Draw No. 7			
Draw No. 8			
Draw No. 9			
Draw No. 10			
Draw No. 11			
Draw No. 12			

EXHIBIT B

LOAN PAYMENT RECORD

DRAW NO. _____

Payment Dates	Principal Payments	Principal Balance Due	Interest Payments	Date Paid	Signature of Authorized Representative of Registered Owner