

**VASHON PARK DISTRICT**

KING COUNTY, WASHINGTON

RESOLUTION NO. R1-16-25

A RESOLUTION authorizing the issuance of a taxable not to exceed \$200,000 par value tax anticipation note (revolving line of credit) for the purpose of paying Vashon Park District expenses pending the receipt of a portion of the proceeds of its 2016 and 2017 regular property tax levy; and approving the sale and providing for the delivery of the note to Banner Bank.

WHEREAS, after due consideration, the Board of Commissioners (the “Board”) of the Vashon Park District, King County, Washington (the “District”) has determined that it is in the best interest of the District that the District borrow money and issue a short-term obligation in accordance with the provisions of Chapter 39.50 RCW and RCW 39.46.050 in anticipation of the receipt of a portion of the regular property taxes levied for collection in 2016 and 2017 for the purpose of providing the funds with which to pay for operating costs and for other purposes and functions of the District approved by statute; and

WHEREAS, Banner Bank has offered to extend a revolving line of credit to the District evidenced by a tax anticipation note under the terms and conditions set forth herein; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF PARK COMMISSIONERS OF VASHON PARK DISTRICT, KING COUNTY, WASHINGTON, as follows:

Section 1. Authorization of Note. The Board finds that in order to meet the cash flow needs of the District, to pay necessary expenses as they are incurred and to ensure adequate availability of funds taking into account the tax collection cycle, it is in the best interest of the District to contract short-term debt pursuant to Chapter 39.50 RCW to pay those expenses, such debt to be paid from the taxes collected by or for the District and budgeted by the District for expenditure prior to June 30, 2017.

Section 2. Description of Note. Pending the collection of a portion of the regular property taxes in 2016 and 2017, the District may borrow money from time to time pursuant to a revolving line of credit extended by Banner Bank (the “Bank”), under the terms of its purchase offer (the “Offer”), and this resolution. The District shall issue its Tax Anticipation Note, 2016 (Taxable) (Revolving Line of Credit) (the “Note”), in a principal amount not to exceed \$200,000 outstanding at any one time. The Note shall be numbered R-1; shall be dated as of the date of its issuance; shall mature on June 30, 2017 (the “Maturity Date”); and shall be in fully registered form in the manner and with any additional designation as the Treasury Operations Section, Finance and Business Operations Division, Department of Executive Services, King County,

Washington, *ex officio* Treasurer of the District (the “Treasurer”), who is hereby appointed as Note Registrar, deems necessary for the purpose of identification.

The District may make incremental draws upon the Note (the “Loan Draws”) in any amount and on any business day during the term of the Note for the purpose of providing the funds with which to pay the cost of paying all or a part of District expenses for the payment of which no District funds other than proceeds of the Loan Draws are available. 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 deposited into the District’s General Fund or Maintenance Fund (as it may be designated) and used immediately to pay those costs. Loan Draws shall be recorded on the Loan Draw Record attached to the Note, or may be recorded in such manner as the District and the Bank may agree upon. Loan Draws are not subject to approval by the Bank, but shall be limited to an aggregate principal amount of \$200,000 outstanding at any one time. Principal repaid may be reborrowed.

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 semiannually on December 31, 2016 and on the Maturity Date, if not sooner paid. The period between the time of issuance of the Note and December 31, 2016 and the period between December 31, 2016 and the Maturity Date shall each be a “Collection Period.” 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.

The District covenants that it will cause the Note to experience a resting period with a zero balance for at least 30 consecutive days during the term of the Note.

The Board finds that the fixing of the interest rate index set forth above is in the best interest of the District.

Section 3. Designation of Officer to Make Loan Draws. The Board has determined it to be in the best interest of the District that the Executive Director of the District be and hereby is authorized to make Loan Draws against the Note and to make such determinations as may be necessary with regard to the amount and time required to be specified in connection with each Loan Draw.

Section 4. Prepayment and Redemption of Note. The District reserves the right and option to prepay and redeem on any business day at any time prior to its stated maturity date any or all of the principal amount of the Note outstanding at par plus accrued interest to the date of redemption and notice to the Bank of any intended prepayment or redemption of the Note shall not be required. The District may prepay at any time without fee and interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Section 5. Failure to Redeem Note. If the Note is not redeemed when properly presented at its Maturity Date, the District shall be obligated to pay interest on the Note at the same rate

provided from and after its maturity until the Note, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the note redemption fund and the Note has been called for payment by giving notice of that call to the registered owner.

Section 6. Form and Execution. The Note shall be printed in a form consistent with the provisions of this resolution, and shall be signed by the Chair of the Board (or the Vice Chair of the Board in case of the Chair's absence or disability) and the Secretary of the Board, whose signatures may be manual or facsimile.

The Note shall bear thereon a Certificate of Authentication in substantially the following form, manually signed by the Note Registrar, and only if so executed shall the Note be valid or obligatory for any purpose or entitled to the benefits of this resolution:

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.

By

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Treasury Operations Section, Finance and Business  
Operations Division, Department of Executive Services  
of King County, Washington, as Note Registrar

If any officer whose signature appears on the Note ceases to be an officer of the District authorized to sign notes before the Note bearing his or her signature is authenticated or delivered by the Note Registrar or issued by the District, the Note nevertheless may be authenticated, delivered and issued and, when authenticated, issued and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign notes. The Note also may be signed on behalf of the District by any person who, on the actual date of signing of the Note, is an officer of the District authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Note.

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Registration and Transfer of Note; Note Registrar. The Note shall be issued to the Bank only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the "Note Register"). The Note Register shall contain the name and mailing address of the owner of the Note. The Note may not be assigned or transferred by the Bank, except that the Bank may assign or transfer the Note to any successor to the business and assets of the Bank. When the Note has been paid in full, both principal and interest, the Note shall be surrendered by the Bank to the Note Registrar, who shall cancel the Note.

The Note Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration of the Note. The Note Registrar shall serve as the District's authenticating trustee, registrar and paying agent for the Note and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The Note Registrar is authorized, on behalf of the District, to authenticate and deliver the Note in accordance with the provisions of

the Note and this resolution, to serve as the District's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution.

The Note Registrar shall be responsible for its representations contained in the Note Registrar's Certificate of Authentication on the Note. The Note shall state on its face that the principal of and interest on the Note shall be paid only to the owner thereof registered as such on the Note Register as of the record date set forth therein and to no other person or entity.

Section 8. Note Debt Service Fund; Pledge of Taxes. The Treasurer may create within the District's General Fund a subfund, account or other method of segregating funds within the General Fund (the "Note Debt Service Fund") as necessary to track amounts set aside for the payment of principal of and interest on the Note. The District irrevocably pledges to set aside and deposit in the Note Debt Service Fund amounts sufficient to repay from the amounts so deposited, on the Maturity Date, the outstanding principal amount of all Loan Draws, plus any unpaid accrued interest thereon.

The District has budgeted and levied taxes for collection in 2016 and will levy taxes for collection in 2017 in amounts sufficient together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Note. For as long as any Loan Draw remains outstanding, the District irrevocably pledges to include in its budget and 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 therefor, 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.

Section 9. Approval of Purchase Offer. Banner Bank has submitted its Offer to purchase the Note as described in Section 2 under the terms and conditions provided in the Offer and this resolution, which written Offer is on file with the Secretary of the District and incorporated herein by this reference. The Board hereby accepts that offer.

Upon delivery of the Note, the District shall pay to the Bank a loan fee in the amount of \$600.

The Note will be printed at District expense and will be delivered to the Bank in accordance with the Offer, with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Note.

The Executive Director of the Vashon Park District and other proper District officials are authorized and directed to do everything necessary for the prompt delivery of the Note to the purchaser and for the proper application and use of the Loan Draw proceeds received thereof.

Section 10. Reporting Requirements. The District hereby covenants and agrees for as long as the Note remains outstanding, it will provide annually to the Bank copies of its unaudited annual financial statements, with the audited report as soon as it is available.

ADOPTED by the Board of Park Commissioners of Vashon Park District, King County, Washington, at an open public meeting thereof, this 26<sup>th</sup> day of July, 2016, the following Commissioners being present and voting in favor of this action:

\_\_\_\_\_  
Chair and Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Bond Counsel

CERTIFICATION

I, the undersigned, Executive Director of the Vashon Park District, King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. R1-16-25 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Park Commissioners (the "Board") held at the regular meeting place thereof on July 26, 2016, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect;

2. A quorum of the members of the Board was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2016.

VASHON PARK DISTRICT, KING COUNTY,  
WASHINGTON

\_\_\_\_\_  
Executive Director