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5 **RESOLUTION NO. 141**
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8 A RESOLUTION of the Board of Directors of the Washington State Major
9 League Baseball Stadium Public Facilities District relating to contracting
10 indebtedness; authorizing the issuance of a limited general obligation line of credit
11 bond anticipation note in the aggregate principal amount of not to exceed \$5,000,000
12 to provide funds for the costs associated with the siting and construction of a new
13 major league baseball park; fixing the date, interest rate, form, maturity, terms,
14 covenants and uses of the proceeds of the note; creating a note redemption fund of
15 the District; approving the sale and providing for the delivery of the note to The
16 Baseball Club of Seattle, L.P., in Seattle, Washington.
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19 WHEREAS, pursuant to the provisions of chapter 36.100 RCW, as amended, the
20 Washington State Major League Baseball Stadium Public Facilities District, hereinafter referred to
21 as the "District," has been created and possesses all the powers of a public facilities district; and

22 WHEREAS, the District is engaged in the planning and development of a major league
23 baseball park pursuant to RCW Chapter. 26.100 and King County Ordinance 12000, and the District
24 is committed to rapidly developing that facility in order to meet the scheduling needs of the Seattle
25 Mariners; and

26 WHEREAS, pursuant to Resolution No. 84 adopted September 23, 1996, the District issued
27 its Limited General Obligation Bond Anticipation Note, 1996B (Taxable Line of Credit) (the "Bank
28 Note") in the aggregate principal amount of not to exceed \$20,000,000, evidencing a line of credit
29 extended to the District by U. S. Bank of Washington, National Association (the "Bank"), to pay
30 costs associated with the siting, acquisition of land, relocation costs, site preparation and
31 construction of a new major league baseball park (the "Project Costs") pending the receipt of funds
32 from identified sources; and

33 WHEREAS, payment of the principal of and interest on the Bank Note is guaranteed by
34 Nintendo of America Inc. and Christopher Larson (collectively, the “Guarantors”) under the terms
35 of their respective Guaranties dated October 1, 1996 (collectively, the “Guaranties”); and

36 WHEREAS, pursuant to a Financing Agreement dated March 18, 1996, as amended,
37 between the District and King County, Washington (the “County”) the County has made various
38 loans to the District to pay Project Costs pending the receipt of funds from identified sources; and

39 WHEREAS, the District is in need of additional short-term financing for Project Costs and
40 does not have available sufficient funds to pay those costs pending the receipt of funds from
41 identified sources; and

42 WHEREAS, the Board of Directors of the District has determined it to be in the best interest
43 of the District to fund part of the Project Costs and the costs of issuing the note authorized herein by
44 the issuance and sale of a limited general obligation line of credit bond anticipation note
45 substantially in the form attached to this resolution as Exhibit A and incorporated herein by this
46 reference (the "Note") in the aggregate principal amount of not to exceed \$5,000,000 at any one
47 time outstanding; and

48 WHEREAS, pursuant to RCW 36.100 and under the laws governing the limitation of
49 indebtedness, the District presently may incur additional indebtedness of \$5,000,000 without a vote
50 of the electors of the District for short-term financing for Project Costs; and

51 WHEREAS, it is the intention of the District to pay and redeem the Note in accordance with
52 its terms from money of the District available to be used therefor, including (1) the proceeds of the
53 bonds authorized in this resolution, when and if issued, (2) additional notes that may be issued by
54 the District, (3) the proceeds of bonds when and if issued by King County, Washington (the
55 “County”) and made available to the District for expenditure to finance Project Costs, and (4) if the
56 Board of Directors of the District (the “Board”), in its reasonable discretion, determines that the

57 Project is unlikely to proceed, from (a) the proceeds of the sale of land, materials and other assets, if
58 any, purchased with the proceeds of the Note, and (b) all other residual assets, funds or revenues of
59 the District as provided herein; and

60 WHEREAS, The Baseball Club of Seattle, L.P. (the "Holder") has offered to extend a
61 nonrevolving line of credit evidenced by the Note on the terms set forth in this resolution;

62 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
63 WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES
64 DISTRICT:

65 Section 1. Definitions. As used in this resolution, the following words shall have the
66 following meanings:

67 "Bank" means U. S. Bank of Washington, National Association.

68 "Bank Note" means the District's not to exceed \$20,000,000 principal amount
69 Limited General Obligation Bond Anticipation Note, 1996B (Taxable Line of Credit).

70 "Board" means the Board of Directors of the District as the same shall be constituted
71 from time to time.

72 "Business Day" means any day which is not a Saturday or Sunday or a day on which
73 commercial banks located in Seattle, Washington, or the Note Registrar are closed for business.

74 "County" means King County, Washington.

75 "County Loans" means the loans made by the County to the District under the
76 Financing Agreement prior to the date of this resolution.

77 "District" means Washington State Major League Baseball Stadium Public Facilities
78 District.

79 “Financing Agreement” means the Financing Agreement dated as of March 18,
80 1996, between the County and the District relating to the loans made by the County to the District to
81 pay Project Costs.

82 “Guarantors” means Nintendo of America Inc. and Christopher Larson, as
83 guarantors of the Bank Note pursuant to their respective Guaranties (the “Guaranties”) dated as of
84 October 1, 1996.

85 “Holder” means The Baseball Club of Seattle, L.P., a Washington limited
86 partnership, and its successors.

87 “Loan Draws” means incremental draws upon the Note as authorized by this
88 resolution.

89 "Note" means the Limited General Obligation Bond Anticipation Note, 1997
90 (Taxable Line of Credit) of the District in the aggregate principal amount of not to exceed
91 \$5,000,000 authorized to be issued by this resolution, substantially in the form of Exhibit A to this
92 resolution.

93 "Note Fund" means that special fund of the District known as the Limited General
94 Obligation Bond Anticipation Note Fund, 1997 (Taxable Line of Credit), created by this resolution
95 for the payment of the principal of and interest on the Note.

96 "Offer" means the Holders’ written offer to purchase the Note.

97 “Project” means the siting, design and construction of a new major league baseball
98 park in Seattle, Washington.

99 "Project Costs" means costs associated with the siting, acquisition of real estate or
100 real estate options and the costs of terminating those options and related costs and fees, business and
101 tenant relocation costs, other site preparation activities, the placement of an advance order for
102 Project structural steel, and other costs associated with the construction of the Project.

103 "Project Fund" means that fund of the District known as the Washington State Major
104 League Baseball Stadium Facilities District Fund No. 28001001-0, previously created by Resolution
105 No. 2 and which fund shall receive deposits made from Loan Draws (as hereafter defined).

106 "Treasurer" means the Office of Treasury Division Manager, King County,
107 Washington, ex officio treasurer of the District.

108 Section 2. Project Costs and Authorization of Bonds. The estimated Project Costs for
109 which funds are immediately necessary, including the costs of financing, issuance, sale and
110 administration of notes and bonds, is declared to be, as nearly as may be, \$5,000,000, which shall
111 be paid from proceeds of limited general obligation bonds in the total amount of \$5,000,000, or
112 other money of the District available therefor. The Board of Directors may modify the details of
113 the Project Costs which may be found necessary and desirable as long as such modifications or
114 additions do not substantially affect the cost of or change the purposes of such Project Costs. For
115 the purpose of carrying out the Project Costs, the District shall issue its limited general obligation
116 bonds in the approximate amount of \$5,000,000. Such bonds shall be payable from the proceeds
117 of bonds when and if issued by the County to finance Project Costs and made available for
118 expenditure by the District. Such bonds shall be issued in one or more series at such times as the
119 District shall deem advisable; shall be in such denominations and form, shall be dated, shall bear
120 such interest rate or rates, shall be payable at such time or times, shall have such option of
121 payment prior to maturity, shall provide for such additional funds and accounts and shall contain
122 and be subject to such provisions and covenants as hereafter shall be provided by resolution.
123 Nothing herein shall require the District to issue such bonds.

124 Section 3. Authorization and Description of Note. For the purpose of providing the
125 funds with which to finance the cost of the Project Costs and to pay costs of issuing the Note, the
126 District may borrow money from time to time pursuant to a nonrevolving line of credit extended

127 by the Holder under the terms of this resolution and the Offer, and shall issue the Note in an
128 aggregate principal amount of not to exceed \$5,000,000. The Note shall be dated as of its date of
129 delivery to the Holder; shall be numbered R-1; and shall mature on the earlier of: (1) October 1,
130 1997, or (2) the date that is 5 Business Days after the date that proceeds of District or County
131 bonds, if issued, are either (a) made available for expenditure by the District, or (b) released from
132 escrow to call those bonds for redemption prior to their maturity (the "Maturity Date") . The
133 Maturity Date may be extended upon future agreement between the Holder and the District.

134 The District may make three incremental Loan Draws on the Note on April 4, 1997, April
135 11, 1997, and April 18, 1997, or on such later dates (but not later than the Maturity Date) as the
136 District and the Holder, acting reasonably, agree upon, for the purpose of providing the funds with
137 which to pay Project Costs and all or a part of the costs of issuing the Note, subject to the following:
138 the principal amount of the Loan Draw made on April 4, 1997, shall not exceed \$1,000,000; the
139 total principal amount of Loan Draws made as of April 11, 1997, shall not exceed \$3,000,000, and
140 the total principal amount of Loan Draws on the Note shall not exceed \$5,000,000. Loan Draws
141 also may be used to pay interest on the Note. No Loan Draw may exceed the total amount of the
142 costs reasonably expected to be paid from such draw, and the proceeds of each Loan Draw shall be
143 used promptly to pay those costs. Loan Draws shall be made by making a request to the Holder at
144 least one Business Day before the proceeds of the Loan Draw are required, and shall be recorded on
145 a Loan Draw Record attached to the Note, or in such other form as the District and the Holder may
146 agree. Loan Draws are not subject to approval by the Holder, but shall be limited to an aggregate
147 total principal amount of \$5,000,000.

148 Each Loan Draw shall bear interest at a rate equal to 78% of the rate of interest designated
149 and published by the Bank, or any successor, as its prime rate, as such prime rate may change from
150 time to time (the "Prime Rate"), and the interest rate to be paid on any Loan Draw shall be adjusted

151 as of the effective date of any adjustment in the Prime Rate. Interest on each Loan Draw shall
152 accrue from the date of that Loan Draw and shall be computed on the principal amount of the Loan
153 Draw outstanding on the basis of a 365/366-day year for the actual number of days the principal
154 amount of the Loan Draw is outstanding. Principal and interest shall be payable as described in
155 Section 5 below. The Board finds that the adoption of the above interest rate index is in the best
156 interest of the District and the taxpayers. The District does not intend that interest on the Note shall
157 be excludable from gross income for federal income tax purposes.

158 Section 4. Designation of Officer to Determine Certain Terms and Conditions and to Make
159 Loan Draws. The Finance and Operations Director of the District and the Executive Director be and
160 hereby are each separately authorized to make Loan Draws against the Note in the amounts as they
161 may determine hereafter, those Loan Draws to be made in accordance with the terms and provisions
162 set forth herein.

163 Section 5. Note Fund; Payment of Note. There is created in the office of the Treasurer a
164 special fund of the District to be known as the Limited General Obligation Bond Anticipation Note
165 Fund, 1997 (Taxable Line of Credit) (the "Note Fund"). All funds of the District allocated to the
166 payment of the principal of and interest on the Note shall be deposited in the Note Fund.

167 Except as provided in Section 6, both principal of and interest on the Note shall be payable
168 in lawful money of the United States of America solely out of the Note Fund from money of the
169 District deposited therein from (1) the proceeds of bonds of the District authorized herein when and
170 if issued, (2) the proceeds of additional notes that may be issued by the District in its sole discretion,
171 (3) the proceeds of bonds or other obligations issued by the County to finance Project Costs, if and
172 when made available for expenditure by the District, and (4) if the Board, in its reasonable
173 discretion, determines that the Project is unlikely to proceed, from (a) the proceeds of the sale of
174 land, materials and other assets, if any, purchased with the proceeds of the Note, and (b) all other

175 residual assets, funds or revenues of the District that are not needed for the payment of previously
176 incurred District obligations to employees and consultants.

177 The Holder shall present to the District and the Treasurer a statement of interest due on the
178 Note on the Maturity Date. The District shall pay principal of and interest due on the Note by wire
179 transfer to the Holder (or other mechanism agreed to by the Holder and the District) on or before the
180 maturity or prior repayment date. Prepayments of principal shall be paid by wire transfer to the
181 Holder or by other mechanism agreed to by the Holder and the District on the prepayment date, and
182 shall be accompanied by payment of interest on the amount of principal being paid. Note payments
183 shall be recorded on a Loan Payment Record attached to the Note, or in such other form as the
184 District, the Treasurer and the Holder may agree. The final payment of principal, plus accrued
185 interest, on the Note at maturity or prior repayment is payable at the office of the Treasurer in
186 Seattle, Washington, upon presentation and surrender of the Note.

187 Section 6. Pledge of Payment. For as long as the Note remains outstanding, the District
188 irrevocably pledges that it will apply to the payment of the principal of and interest on the Note
189 when due: (1) the proceeds of the bonds authorized in this resolution, if and when issued, (2) the
190 proceeds of additional notes that may be issued by the District in its sole discretion, (3) the proceeds
191 of bonds or other obligations issued by the County to finance Project Costs, if and when made
192 available for expenditure by the District, and (4) if the Board, in its reasonable discretion,
193 determines that the Project is unlikely to proceed, from (a) the proceeds of the sale of land, materials
194 and other assets, if any, purchased with the proceeds of the Note, and (b) all other residual assets,
195 funds or revenues of the District that are not needed for the payment of previously incurred District
196 obligations to employees and consultants. The Note is a limited general obligation of the District,
197 payable solely out of the Note Fund from the sources set forth above. The right of the Holder to be
198 repaid from residual revenues if the Project does not proceed, as specified in clause (4)(b) above in

199 this paragraph, is subordinate to the rights of the Bank to be paid from those sources under the Bank
200 Note, and is subordinate to the rights of the Guarantors pursuant to their respective Guaranties to be
201 paid from those sources and the rights of the County pursuant to the Financing Agreement (only
202 with respect to the County Loans) to be paid from those sources with respect to the proceeds of the
203 sale of land, materials and other assets purchased with proceeds of the Bank Note and County
204 Loans, respectively. The Note shall not be an obligation of the County or the State of Washington,
205 and the Note shall be payable solely from the Note Fund from the sources expressly pledged herein.
206 Nothing herein shall be construed to grant the Holder a security interest in any assets of the District
207 nor restrict the District in exercising its reasonable discretion concerning the sale, transfer or other
208 disposition of its assets.

209 Section 7. Prepayment and Redemption Provisions. The District reserves the right and
210 option to prepay and redeem at any time prior to maturity any or all of the principal amount of the
211 Note outstanding at par plus accrued interest to the date of prepayment and redemption. Payments
212 received by the Holder after 1:00 p.m., Seattle time, on a Business Day shall be deemed to have
213 been made on the following Business Day. Written notice to the Holder of any intended
214 prepayment of the Note shall not be required. Interest on the Note or the portion thereof so prepaid
215 shall cease to accrue on the date of such prepayment.

216 Section 8. Failure to Pay. If the Note is not redeemed when properly presented at its
217 maturity or prepayment date, the District shall be obligated to pay interest on the Note at the full
218 Prime Rate from and after its maturity or prepayment date until the Note, both principal and interest,
219 is paid in full or until sufficient money for its payment in full is on deposit in the Note Fund and the
220 Note has been called for payment.

221 Section 9. Form and Execution. The Note shall be printed, lithographed, typed or
222 photocopied on good bond paper in a form consistent with the provisions of this resolution, shall be

223 signed manually or in facsimile by the Chair of the Board of Directors or Executive Director of the
224 District, and shall have the seal of the District impressed or printed thereon.

225 Section 10. Transfer of Note. The Note may not be assigned or transferred by the Holder,
226 except that the Holder may assign or transfer the Note to any successor to the business and assets of
227 the Holder. No such assignment shall be effective unless and until the Holder has filed with the
228 District a written notice identifying the name and address of the assignee(s). When the Note has
229 been paid in full, both principal and interest, the Note shall be surrendered by the Holder to the
230 Treasurer, who shall cancel the Note.

231 Section 11. Project Fund; Deposit of Loan Draws. There previously has been established in
232 the office of the Treasurer a fund designated as the Washington State Major League Baseball
233 Stadium Facilities District Fund of the District (the "Project Fund"). Loan Draws shall be paid into
234 the Project Fund and used for the purposes set forth in this resolution. At closing the District may
235 make its first Loan Draw to pay, among other things, the costs incurred by the District in connection
236 with the issuance of the Note.

237 Section 12. Sale of Note. The Holder has submitted its Offer to purchase the Note under
238 the terms and conditions of the Offer. The Board finds that the Offer is in the District's best interest
239 and accepts the Offer.

240 The Note will be prepared at District expense and will be delivered to the Holder in
241 accordance with the Offer, with the approving legal opinion of Foster Pepper & Shefelman,
242 municipal bond counsel of Seattle, Washington, regarding the Note. The proper District officials
243 are authorized and directed to do everything necessary for the prompt delivery of the Note to the
244 Holder and for the proper application and use of the proceeds of the sale thereof.

245 PASSED by a vote of 5 to 0 this 31st day of March, 1997.

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BOARD OF DIRECTORS
WASHINGTON STATE MAJOR LEAGUE BASEBALL
STADIUM PUBLIC FACILITIES DISTRICT

Joan Enticknap, Chair

ATTEST:

Clerk

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I, MEG McNEIL, Clerk of the Washington State Major League Baseball Stadium Public Facilities District, certify that the attached copy of Resolution No. 141 is a true and correct copy of the original resolution adopted on March 31, 1997, as that resolution appears on the Minute Book of the District.

DATED this 31st day of March, 1997.

Meg McNeil, Clerk