

1 April 21, 1997

Proposed No. 97-043

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6 **RESOLUTION NO. 146**

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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 limited general obligation line of credit  
11 bond anticipation notes in the aggregate principal amount of not to exceed  
12 \$10,000,000 to provide funds for the costs associated with the siting and  
13 construction of a new major league baseball park; fixing the date, interest rate, form,  
14 maturity, terms, covenants and uses of the proceeds of the notes; and authorizing the  
15 sale and delivery of the notes to The Baseball Club of Seattle, L.P., in Seattle,  
16 Washington.

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18  
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 Ch. 26.100 and King County Ordinance 12000, and the District is  
24 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, pursuant to Resolution No. 141 adopted March 31, 1997, the District issued its  
40 Limited General Obligation Bond Anticipation Note, 1997 (Taxable Line of Credit) (the “1997A  
41 Note”) in the aggregate principal amount of not to exceed \$5,000,000 evidencing a line of credit  
42 extended to the District by The Baseball Club of Seattle, L.P. (the “Holder”) to pay Project Costs  
43 pending the receipt of funds from identified sources; and

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

47 WHEREAS, the Holder has offered to extend a second nonrevolving line of credit in the  
48 aggregate principal amount of \$5,000,000 on terms and conditions consistent with this resolution;  
49 and

50 WHEREAS, if the District requires further short-term financing for Project Costs it will  
51 request that the Holder, at its sole option, offer to extend a third nonrevolving line of credit in the  
52 aggregate principal amount of not to exceed \$5,000,000 on terms and conditions consistent with  
53 this resolution; and

54 WHEREAS, the Board of Directors of the District has determined it to be in the best interest  
55 of the District to fund part of the Project Costs and the costs of issuing the 1997B Note (defined

56 herein) by the issuance and sale of its Limited General Obligation Bond Anticipation Note, 1997B  
57 (Taxable Line of Credit) (the "1997B Note") substantially in the form attached to this resolution as  
58 Exhibit A and incorporated herein by this reference in the aggregate principal amount of not to  
59 exceed \$5,000,000 at any one time outstanding; and

60 WHEREAS, the Board of Directors of the District has further determined it to be in the best  
61 interest of the District to authorize the Chair of the Board of Directors or the Executive Director of  
62 the District to request and accept an offer, if any, from the Holder to extend a third line of credit to  
63 the District in the aggregate principal amount of not to exceed \$5,000,000 and to issue and deliver  
64 to the Holder its Limited General Obligation Bond Anticipation Note, 1997C (Taxable Line of  
65 Credit) (the "1997C Note") evidencing that third line of credit to provide further funds to pay  
66 Project Costs and the costs of issuing the 1997C Note; and

67 WHEREAS, pursuant to RCW 36.100 and under the laws governing the limitation of  
68 indebtedness, the District presently may incur additional indebtedness of \$10,000,000 without a  
69 vote of the electors of the District for short-term financing for Project Costs; and

70 WHEREAS, it is the intention of the District to pay and redeem the 1997A Note and the  
71 Notes (defined herein) in accordance with their respective terms from money of the District  
72 available to be used therefor, including (1) the proceeds of the bonds authorized in Resolution No.  
73 141 and this resolution, when and if issued, (2) additional notes that may be issued by the District,  
74 (3) the proceeds of bonds issued by King County, Washington (the "County") when and if made  
75 available to the District for expenditure to finance Project Costs, and (4) if the Board of Directors of  
76 the District (the "Board"), in its reasonable discretion, determines that the Project is unlikely to  
77 proceed, from (a) the proceeds of the sale of land, materials and other assets, if any, purchased with

78 the proceeds of the 1997A Note or the Notes, and (b) all other residual assets, funds or revenues of  
79 the District as provided herein;

80 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
81 WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES  
82 DISTRICT:

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

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

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

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

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

92 "County" means King County, Washington.

93 "County Loans" means the loans made by the County to the District under the  
94 Financing Agreement prior to the date of Resolution No. 141.

95 "District" means Washington State Major League Baseball Stadium Public Facilities  
96 District.

97 "Financing Agreement" means the Financing Agreement dated as of March 18,  
98 1996, between the County and the District relating to the loans made by the County to the District to  
99 pay Project Costs.

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

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

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

107           "1997A Note" means the Limited General Obligation Bond Anticipation Note, 1997  
108 (Taxable Line of Credit) of the District in the aggregate principal amount of not to exceed  
109 \$5,000,000 issued pursuant to Resolution 141.

110           “1997B Note” means the Limited General Obligation Bond Anticipation Note,  
111 1997B (Taxable Line of Credit) of the District in aggregate principal amount of not to exceed  
112 \$5,000,000 authorized to be issued by this resolution, substantially in the form of Exhibit A to this  
113 resolution.

114           “1997C Note” means the Limited General Obligation Bond Anticipation Note,  
115 1997C (Taxable Line of Credit) of the District in aggregate principal amount of not to exceed  
116 \$5,000,000 authorized to be issued by this resolution, substantially in the form of Exhibit A to this  
117 resolution.

118           "Note Fund" means that special fund of the District known as the Limited General  
119 Obligation Bond Anticipation Note Fund, 1997 (Taxable Line of Credit), created by Resolution  
120 No. 141.

121           “Notes” means, collectively, the 1997B Note and the 1997C Note (each, a “Note”).

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

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

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

131           "Second Offer" means the Holder’s written offer to purchase the 1997B Note dated  
132 April 21, 1997.

133           “Third Offer” means the Holder’s written offer, if extended in the sole and absolute  
134 discretion of the Holder, to purchase the 1997C Note.

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

137           Section 2. Project Costs and Authorization of Bonds. The estimated Project Costs for  
138 which funds are immediately necessary, including the costs of financing, issuance, sale and  
139 administration of notes and bonds, is declared to be, as nearly as may be, \$10,000,000, which  
140 shall be paid from proceeds of limited general obligation bonds in the total amount of  
141 \$10,000,000, or other money of the District available therefor. The Board of Directors may  
142 modify the details of the Project Costs which may be found necessary and desirable as long as  
143 such modifications or additions do not substantially affect the cost of or change the purposes of  
144 such Project Costs. For the purpose of carrying out the Project Costs, the District shall issue its

145 limited general obligation bonds in the approximate amount of \$10,000,000. Such bonds shall  
146 be payable from the proceeds of bonds issued by the County to finance Project Costs when and if  
147 such proceeds are made available for expenditure by the District. Such bonds shall be issued in  
148 one or more series at such times as the District shall deem advisable; shall be in such  
149 denominations and form, shall be dated, shall bear such interest rate or rates, shall be payable at  
150 such time or times, shall have such option of payment prior to maturity, shall provide for such  
151 additional funds and accounts and shall contain and be subject to such provisions and covenants  
152 as hereafter shall be provided by resolution. Nothing herein shall require the District to issue  
153 such bonds.

154 Section 3. Authorization and Description of Notes. For the purpose of providing the  
155 funds with which to finance Project Costs and to pay costs of issuing the 1997B Note, the  
156 District may borrow money from time to time pursuant to a nonrevolving line of credit extended  
157 by the Holder under the terms of this resolution and the Second Offer, and shall issue the 1997B  
158 Note in an aggregate principal amount of not to exceed \$5,000,000. For the purpose of  
159 providing further funds with which to finance Project Costs and to pay costs of issuing the  
160 1997C Note, the District shall, if the Third Offer is extended by the Holder and accepted by the  
161 District as authorized herein, issue the 1997C Note in an aggregate principal amount of not to  
162 exceed \$5,000,000. The District acknowledges that the Holder has no obligation and has made  
163 no commitment to extend the Third Offer.

164 The Notes shall be dated as of their respective dates of delivery to the Holder; shall be  
165 numbered separately; and shall mature on the earlier of: (1) October 1, 1997, or (2) the date that  
166 is five Business Days after the date that proceeds of District bonds, if issued, or County bonds  
167 are either (a) made available for expenditure by the District, or (b) released from escrow to call

168 those bonds for redemption prior to their maturity (the "Maturity Date"). The Maturity Date of  
169 any Note may be extended upon future agreement between the Holder and the District.

170 The District may make incremental Loan Draws on each Note not more often than once per  
171 week and not later than the Maturity Date for the purpose of providing the funds with which to pay  
172 Project Costs and all or a part of the costs of issuing the applicable Note, subject to the following:  
173 no Loan Draws may be made on the 1997B Note until the District has made \$5,000,000 of Loan  
174 Draws on the 1997A Note, and no Loan Draws may be made on the 1997C Note until the District  
175 has made \$5,000,000 of Loan Draws on the 1997B Note. Loan Draws on the Notes also may be  
176 used to pay interest on the 1997A Note or the Notes. No Loan Draw may exceed the total amount  
177 of the costs reasonably expected to be paid from such draw, and the proceeds of each Loan Draw  
178 shall be used promptly to pay those costs. Loan Draws shall be made by making a request to the  
179 Holder at least one Business Day before the proceeds of the Loan Draw are required, and shall be  
180 recorded on a Loan Draw Record attached to the applicable Note, or in such other form as the  
181 District and the Holder may agree. Loan Draws are not subject to approval by the Holder, but shall  
182 be limited to an aggregate total principal amount of the Note on which they are made.

183 Each Loan Draw shall bear interest at a rate equal to 78% of the rate of interest designated  
184 and published by the Bank, or any successor, as its prime rate, as such prime rate may change from  
185 time to time (the "Prime Rate"), and the interest rate to be paid on any Loan Draw shall be adjusted  
186 as of the effective date of any adjustment in the Prime Rate. Interest on each Loan Draw shall  
187 accrue from the date of that Loan Draw and shall be computed on the principal amount of the Loan  
188 Draw outstanding on the basis of a 365/366-day year for the actual number of days the principal  
189 amount of the Loan Draw is outstanding. Principal and interest shall be payable as described in  
190 Section 5 below. The Board finds that the adoption of the above interest rate index is in the best

191 interest of the District and the taxpayers. The District does not intend that interest on the Notes shall  
192 be excludable from gross income for federal income tax purposes.

193 Section 4. Designation of Officer to Determine Certain Terms and Conditions and to Make  
194 Loan Draws. The Finance and Operations Director of the District and the Executive Director be and  
195 hereby are each separately authorized to make Loan Draws against the Notes in the amounts as they  
196 may determine hereafter, those Loan Draws to be made in accordance with the terms and provisions  
197 set forth herein.

198 Section 5. Note Fund; Payment of Notes. A special fund of the District known as the  
199 Limited General Obligation Bond Anticipation Note Fund, 1997 (Taxable Line of Credit) (the  
200 "Note Fund") has previously been created in the office of the Treasurer pursuant to Resolution No.  
201 141. All funds of the District allocated to the payment of the principal of and interest on the Notes  
202 shall be deposited in the Note Fund.

203 Except as provided in Section 6, both principal of and interest on the Notes shall be payable  
204 in lawful money of the United States of America solely out of the Note Fund from money of the  
205 District deposited therein from (1) the proceeds of bonds of the District authorized herein and in  
206 Resolution No. 141 when and if issued, (2) the proceeds of additional notes that may be issued by  
207 the District in its sole discretion, (3) the proceeds of bonds or other obligations issued by the County  
208 to finance Project Costs, if and when made available for expenditure by the District, and (4) if the  
209 Board, in its reasonable discretion, determines that the Project is unlikely to proceed, from (a) the  
210 proceeds of the sale of land, materials and other assets, if any, purchased with the proceeds of the  
211 1997A Note or the Notes, and (b) all other residual assets, funds or revenues of the District that are  
212 not needed for the payment of previously incurred District obligations to employees and  
213 consultants.

214           The Holder shall present to the District and the Treasurer a statement of interest due on the  
215 Notes on the Maturity Date. The District shall pay principal of and interest due on the Notes by  
216 wire transfer to the Holder (or other mechanism agreed to by the Holder and the District) on or  
217 before the maturity or prior repayment date. Prepayments of principal shall be paid by wire transfer  
218 to the Holder or by other mechanism agreed to by the Holder and the District on the prepayment  
219 date, and shall be accompanied by payment of interest on the amount of principal being paid. Note  
220 payments shall be recorded on a Loan Payment Record attached to the applicable Note, or in such  
221 other form as the District, the Treasurer and the Holder may agree. The final payment of principal,  
222 plus accrued interest, on each Note at maturity or prior repayment is payable at the office of the  
223 Treasurer in Seattle, Washington, upon presentation and surrender of the Note.

224           Section 6. Pledge of Payment. For as long as any of the 1997A Note or the Notes remain  
225 outstanding, the District irrevocably pledges that it will apply to the payment of the principal of and  
226 interest on the Notes when due: (1) the proceeds of the bonds authorized in Resolution No. 141 and  
227 this resolution, if and when issued, (2) the proceeds of additional notes that may be issued by the  
228 District in its sole discretion, (3) the proceeds of bonds or other obligations issued by the County to  
229 finance Project Costs, if and when made available for expenditure by the District, and (4) if the  
230 Board, in its reasonable discretion, determines that the Project is unlikely to proceed, from (a) the  
231 proceeds of the sale of land, materials and other assets, if any, purchased with the proceeds of the  
232 1997A Note or the Notes, and (b) all other residual assets, funds or revenues of the District that are  
233 not needed for the payment of previously incurred District obligations to employees and  
234 consultants. All payments from the Note Fund shall be applied as follows: first, to pay interest on  
235 the 1997A Note, the 1997B Note and the 1997C Note, in that order, then to pay principal of the  
236 1997A Note, the 1997B Note and the 1997C Note, in that order. The Notes are limited general

237 obligations of the District, payable solely out of the Note Fund from the sources set forth above.  
238 The right of the Holder to be repaid from residual revenues if the Project does not proceed, as  
239 specified in clause (4)(b) above in this paragraph, is subordinate to the rights of the Bank to be paid  
240 from those sources under the Bank Note, and is subordinate to the rights of the Guarantors pursuant  
241 to their respective Guaranties to be paid from those sources and the rights of the County pursuant to  
242 the Financing Agreement (only with respect to the County Loans) to be paid from those sources  
243 with respect to the proceeds of the sale of land, materials and other assets purchased with proceeds  
244 of the Bank Note and County Loans, respectively. The Notes shall not be an obligation of the  
245 County or the State of Washington, and the Notes shall be payable solely from the Note Fund from  
246 the sources expressly pledged herein. Nothing herein shall be construed to grant the Holder a  
247 security interest in any assets of the District nor restrict the District in exercising its reasonable  
248 discretion concerning the sale, transfer or other disposition of its assets.

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

256 Section 8. Failure to Pay. If any Note is not redeemed when properly presented at its  
257 maturity or prepayment date, the District shall be obligated to pay interest on that Note at the full  
258 Prime Rate from and after its maturity or prepayment date until that Note, both principal and

259 interest, is paid in full or until sufficient money for its payment in full is on deposit in the Note Fund  
260 and that Note has been called for payment.

261 Section 9. Form; Execution and Delivery. The Notes shall be printed, lithographed,  
262 typed or photocopied on good bond paper in a form consistent with the provisions of this  
263 resolution, shall be signed manually or in facsimile by the Chair of the Board of Directors or  
264 Executive Director of the District, and shall have the seal of the District impressed or printed  
265 thereon. The Notes each will be prepared at District expense and will be delivered to the Holder in  
266 accordance with the Second Offer or the Third Offer, as applicable, with the approving legal  
267 opinion of Foster Pepper & Shefelman, municipal bond counsel of Seattle, Washington, regarding  
268 the applicable Note. The proper District officials are authorized and directed to do everything  
269 necessary for the prompt delivery of the Notes to the Holder and for the proper application and use  
270 of the proceeds of the sale thereof.

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

277 Section 11. Project Fund; Deposit of Loan Draws. There previously has been established in  
278 the office of the Treasurer a fund designated as the Washington State Major League Baseball  
279 Stadium Facilities District Fund of the District (the "Project Fund"). Loan Draws shall be paid into  
280 the Project Fund and used for the purposes set forth in this resolution.



1 I, MEG MCNEIL, Clerk of the Washington State Major League Baseball Stadium Public  
2 Facilities District, certify that the attached copy of Resolution No. 146 is a true and correct copy of  
3 the original resolution adopted on April 21, 1997, as that resolution appears on the Minute Book of  
4 the District.

5 DATED this 21st day of April, 1997.

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11 MEG MCNEIL, Clerk