

Ordinance No. 00001

[\(Council Minutes 95/10/30\)](#)

ORDINANCE NO. 95-1

AN ORDINANCE OF THE CITY COUNCIL OF LAKEWOOD, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,500,000; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH NOTE; FIXING THE DATE, FORM, INTEREST RATE, TERMS, MATURITY AND COVENANTS OF SUCH NOTE; CREATING A NOTE FUND FROM WHICH THE PRINCIPAL OF AND INTEREST ON SUCH NOTE SHALL BE PAID; AND CONFIRMING THE SALE OF SUCH NOTE.

AN ORDINANCE OF THE CITY COUNCIL OF LAKEWOOD, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,500,000; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH NOTE; FIXING THE DATE, FORM, INTEREST RATE, TERMS, MATURITY AND COVENANTS OF SUCH NOTE; CREATING A NOTE FUND FROM WHICH THE PRINCIPAL OF AND INTEREST ON SUCH NOTE SHALL BE PAID; AND CONFIRMING THE SALE OF SUCH NOTE.

WHEREAS, at a special election the formation of the City of Lakewood, Washington (the "City") was approved; and

WHEREAS, the City is in the process of incorporating; and

WHEREAS, the City needs money to finance the costs of operating and maintaining the City pending receipt of taxes and other revenues; and

WHEREAS, RCW 35.02.130 authorizes the City to issue a tax anticipation note prior to its incorporation; and

WHEREAS, RCW 39.46.050 authorizes local governments to establish lines of credit with any qualified public depository to be drawn upon in exchange for its obligations; and

WHEREAS, pending receipt of taxes and other revenues, it is in the best interest of the residents of the City that the City issue a tax anticipation note to pay for the City's operation and maintenance expenses; and

WHEREAS, Seattle-First National Bank, Seattle, Washington, has offered to purchase the note; and

WHEREAS, the City Council deems it to be in the best interest of the City that it sell the note to such bank;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following terms shall have the following meanings:

"Authorized Officer" means the Mayor of the City, the City Manager, or City Finance Director or Treasurer.

"Bank" means Seattle-First National Bank, Seattle, Washington.

"City" means the City of Lakewood, Washington.

"Council" means the general legislative body of the City as the same shall be duly constituted from time to time.

"Note" means the "Lakewood, Washington Tax Anticipation Note, 1995" authorized by this ordinance.

"Note Fund" means the "Lakewood Tax Anticipation Note Redemption Fund, 1995" created by Section 3 of this ordinance.

"Note Proceeds Account" means the "Lakewood Note Proceeds Account" created by Section 5 of this ordinance.

"Outstanding Principal Balance of the Note" means the aggregate of all funds which the City has drawn from THE Bank pursuant to the Note less aggregate of all principal payments on the Note made by the City.

"Prime Rate" means the rate of interest publicly announced from time to time by Seattle-First National Bank in Seattle, Washington as its Large Business Prime Rate or Prime Rate. Any change in the Prime Rate shall take effect on the day specified in the public announcement of such change. The Prime Rate is set by the Bank based upon various factors including the Bank's costs and desired return, general economic conditions and other factors and is used as a reference point for pricing some loans. The Bank may make loans at, above or below the Prime Rate. The Prime Rate is not necessarily the lowest rate offered by the Bank to its most creditworthy customers from time to time.

"Request for Draw" means an oral or written request by an Authorized Officer for a draw from the line of credit authorized to be established by this ordinance, all as more fully described in Section 2 of this ordinance.

Section 2. Issuance of Note. In anticipation of the receipt of general tax revenues or revenues from other sources, the City shall, for the purpose of funding general operating expenses of the City, issue its Note in the principal amount of not to exceed \$1,500,000 outstanding at any one time. Said short-term obligation shall be designated the "Lakewood, Washington, Tax Anticipation Note, 1995," shall be dated the date of its issuance and shall mature January 2, 1997. The Outstanding Principal Balance on the Note shall be payable at maturity.

The Note shall bear interest on the Outstanding Principal Balance at a rate per annum of 59% of the Prime Rate of the Bank. Interest shall be payable at maturity or prior redemption of the Note. Interest on the Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed.

The Note shall be non-negotiable and issued in registered form. Both principal of and interest on the Note shall be payable in lawful money of the United States of America at the office of the Treasurer or Finance Director of the City in Lakewood, Washington, and shall be a general obligation of the City to the extent provided herein. The City's Treasurer or Finance Director shall act as Note Registrar.

The Outstanding Principal Balance of the Note on any particular day shall be the aggregate of all funds which the City has drawn from the date of the Note to that day less the aggregate of all principal payments made by the City on or before that day. Interest on a particular principal amount so advanced shall be determined from the date of the advance of Note proceeds pursuant to a Request for Draw by which the City drew that principal amount from the Bank.

A Request for Draw pursuant to the Note may be made by an Authorized Officer either orally or in writing at any time prior to the maturity date of the Note. Oral Requests for Draw shall include requests by telephone, telegraph, telex or any other means of communication other than by a writing signed by an Authorized Officer. The City hereby delegates to the Authorized Officer authority to make a written or oral Request for Draw pursuant to this ordinance. The Bank shall incur no liability to the City or to any other person in acting upon any oral or written notice or other communication which the Bank believes in good faith to have been given by an official or other person authorized to borrow on behalf of the City, or otherwise acting in good faith in making advances pursuant to this ordinance.

Section 3. Note Redemption Fund. A special fund of the City to be known as the "Lakewood Tax Anticipation Note Redemption Fund, 1995" (the "Note Fund") is hereby authorized to be created by the City. The Note Fund shall be a trust account and shall be drawn upon for the sole purpose of paying the principal of and interest on the Note. Money on deposit in the Note Fund not immediately needed to pay such interest or principal may temporarily be deposited in such institutions or invested in such obligations which are legal investments for City funds. Any interest or profit from the investment of such money shall be deposited in the Note Fund. Any money remaining in the Note Fund after payment in full of the principal of and interest on the Note may be transferred to the general operating fund of the City, and the Note Fund shall be closed.

The City covenants and agrees that on or before the maturity date of the Note, it will deposit in the Note Fund, out of all taxes levied by the City within and as a part of the levy permitted by law without a vote of the electors and when permitted to be levied by State law, and out of other revenues received by the City, such tax receipts and other revenue in an amount which, together with other money of the City, if any, legally available for such purposes, will be sufficient to pay the principal of and interest on the Note.

The City hereby irrevocably pledges that a sufficient portion of such tax receipts and other revenues to be collected by the City prior to the full payment of the principal of and interest on the Note will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Note. Such taxes and other revenue so pledged shall be paid directly into the Note Fund in amounts sufficient to pay the principal of and interest on the Note at maturity, and none of the money in such Fund shall be used for any other purpose than the payment of the principal of and interest on the Note as the same shall become due.

Section 4. Redemption Prior to Maturity. The Note may be pre-paid prior to its maturity in whole or in part at any time.

Section 5. Application of the Proceeds of the Note. All proceeds received from a Request for Draw under this ordinance shall be deposited into a special account designated the "Note Proceeds Account" that is hereby created in the City's General Fund, and may be used by the City to pay the general operating and maintenance expenses of the City.

Section 6. Form of the Note. The Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1 \$1,500,000

STATE OF WASHINGTON

CITY OF LAKEWOOD

TAX ANTICIPATION NOTE, 1995

Registered Owner: Seattle-First National Bank

The City of Lakewood, Washington (the "City"), a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Washington, hereby acknowledges itself to owe and for value received promises to pay to the registered owner on January 2, 1997 solely from the sources hereinafter mentioned, the principal sum of not to exceed \$1,500,000 together with interest on the Outstanding Principal Balance, from the date hereof at the rate per annum of 59% of the Prime Rate of Seattle-First National Bank, computed on a 360-day year and the actual number of days elapsed, upon presentation and surrender of this note at the office of the Treasurer of the City.

The City has reserved the right to repay the principal amount of this note in whole or in part prior to its maturity.

This note is issued pursuant to an Ordinance of the City, adopted on October 30, 1995 (the "Note Ordinance"), for the purpose of financing expenses of operating and maintaining the City, in anticipation of the receipt of taxes and other revenues, all in conformity with the Constitution and laws of the State of Washington.

The City hereby irrevocably covenants that it will deposit in the Tax Anticipation Note Redemption Fund, 1995 of the City authorized to be maintained by the Note Ordinance, taxes levied within and as a part of the levy permitted to the City without a vote of the people, and other revenues received by the City, in amounts which, together with other moneys of the City legally available therefore, will be sufficient to pay the principal of and interest on this note as the same shall become due.

The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of such principal and interest.

The City has designated this note as a qualified tax-exempt obligation for investment by financial institutions.

It is hereby certified and declared that this note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and duly adopted ordinances of the City, and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done and performed.

IN WITNESS WHEREOF, City of Lakewood, Washington, has caused this note to be signed with the manual signature of the Mayor and attested by the manual signature of the Interim City Clerk as of this 30th day of October, 1995.

CITY OF LAKEWOOD,

WASHINGTON

By _____

Mayor

ATTEST:

Interim City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the City Treasurer or Finance Director (the "Note Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this note shall be made by the City with full acquittance by the Note Registrar's wire transfer, made payable to the last Registered Owner as shown hereon and on the registration books of the Note Registrar at his/her address noted hereon and on the registration books of the Note Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Registrar
_____	<u>Seattle-First National Bank</u>	_____
_____	<u>800 Fifth Avenue, Floor 34</u>	_____
_____	<u>Seattle, WA 98124-1662</u>	_____
_____	_____	_____
_____	_____	_____

Section 7. Execution of the Note. The Note shall be executed on behalf of the City by the manual signature of the Mayor and Interim City Clerk.

Section 8. Lost, Destroyed or Mutilated Note. In the event the Note is lost, destroyed, or mutilated the City will cause to be issued a new Note, substantially similar to the original, to replace the same, in such manner and upon such reasonable terms and conditions as the Council may determine.

Section 9. Sale of Note; Authorization to Officials and Agents; Ratification of Prior Actions. The Council hereby authorizes the sale of the Note to the Bank pursuant to the Bank's offer attached hereto. The appropriate City officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Note and for the proper use and application of the proceeds of the sale thereof as provided in this ordinance.

All actions heretofore taken by the City's officials, agents and representatives in connection with the issuance and sale of the Note are hereby ratified, approved and confirmed.

Section 10. Note Not Arbitrage Bond or Private Activity Bond; Special Designation. The City covenants and agrees that throughout the term of the Note no part of the proceeds of the Note or any other moneys or obligations held under this ordinance shall at any time be used for any purpose or invested in such manner, no shall the City take any other action, which would cause the Note to be (i) an "arbitrage bond" under the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code") or (ii) a "private activity bond" under the Code. The City further covenants that the amount of a Request for Draw will not exceed the City's projected expenditures.

The City hereby designates the Note as a "qualified tax-exempt obligation" under Section 265(b) of the Code. The City does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of ten million dollars during calendar year 1995.

PASSED by the City Council of the City of Lakewood, Washington, at a meeting held this 30th day of October, 1995.

CITY COUNCIL OF THE CITY OF
LAKEWOOD, WASHINGTON

Mayor

ATTEST:

Interim City Clerk

CERTIFICATE FOR TRANSCRIPT

I GERRI RAINWATER, Interim City Clerk of the City of Lakewood, Washington, DO HEREBY CERTIFY that the within and attached documents are in each case true and correct copies of the originals of such documents and that none of the ordinances, proceedings, statements or certificates contained herein has been repealed, rescinded or canceled and all of the officers last certified as holding City offices have continued to hold their respective offices from such date to and including the date of this certificate.

DATED as of this 1st day of November, 1995.

Gerri Rainwater, Interim Clerk

CERTIFICATE

I, Gerri Rainwater, the duly appointed and acting Interim Clerk of the City of Lakewood, Washington, do hereby certify that William Harrison is the duly elected and currently acting Mayor of the City of Lakewood and that Scott Rohlfs is the duly appointed Manager of the City of Lakewood.

Dated this 1st day of November, 1995.

Gerri Rainwater, Interim Clerk

CERTIFICATE REGARDING ASSESSED VALUATION

I, Scott Rohlfs, the City Manager of the City of Lakewood, Washington do hereby certify that the assessed valuation of the taxable property in Lakewood is expected to be approximately \$2,559,000,000.

Dated: November 1, 1995.

ARBITRAGE AND TAX CERTIFICATION

\$1,500,000

CITY OF LAKEWOOD, WASHINGTON

TAX ANTICIPATION NOTE, 1995

THIS ARBITRAGE AND TAX CERTIFICATION is made and dated November 1, 1995 by **CITY OF LAKEWOOD, WASHINGTON** (the "City) in accordance with the provisions of Section 1.148-2(b)(2) of the Income Tax Regulations to establish the facts and circumstances that form the basis for the City's reasonable expectation that the note referred to in the caption (the "Note") is not an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and is referred to hereinafter as the "Tax Certificate."

WHEREAS, the City has authorized the issuance of the Note in Ordinance No. 95-1 (the "Ordinance"); and

WHEREAS, the Ordinance provides for the Gross Proceeds of the Note to be applied for the purposes stated in the Ordinance which are incorporated by reference; and

WHEREAS, the undersigned is the officer of the City delegated with the responsibility for issuing the Note and certifying the City's expectations regarding the amount and use of the Gross Proceeds of the Note.

ARTICLE ONE

DEFINITIONS

In addition to the words defined in the preamble to this Tax Certificate, the following words and phrases shall have the meanings set forth in this Article. Any capitalized word or term used herein but not defined herein shall have the same meaning given in the Ordinance.

"Gross Proceeds" means any Sale Proceeds, Replacement Proceeds and amounts actually or constructively received from investing such proceeds.

"Investment" means any security, obligation, annuity contract, investment-type property and any tax-exempt obligation. Investment-type property is property held primarily for the production of income.

"Issue Price" means, in the case of the Note the price paid by Seattle-First National Bank for the Note.

"Materially Higher Yield Investment" means investments having a yield more than one-eighth of one percentage point above the Note yield except that the investment yield for any Replacement Proceeds is materially higher if it is more than one-thousandth of one percent above the Note yield. If an investment is a tax-exempt obligation, but is not investment property, there is no yield limitation.

"Net Sale Proceeds" is the amount shown in the Sources and Uses Article hereof.

"Related Party" means, in reference to a governmental unit or 501(c)(3) organization, any member of the same controlled group, and in reference to any person that is not a governmental unit or a 501(c)(3) organization, a person who is related to another person if (1) the relationship between such persons would result in a disallowance of losses under Section 267 of the Code (relating to disallowance of loss between related taxpayers) and Section 707(b) of the Code (relating to losses disallowed between partners and controlled partnerships) and the Regulations thereunder, or (2) such persons are members of the same controlled group of corporations, as defined in Section 1563(a) of the Code, relating to the definition of a controlled group of corporations (except that "more than 50%" shall be substituted for "at least 80%" each place it appears in Section 1563(a) of the Code and the Regulations thereunder).

"Replacement Proceeds" means any amounts that have a sufficiently direct nexus to the Note or to the governmental purposes of the Note to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Note were not used for that purpose. Replacement Proceeds include, but are not limited to, sinking funds, pledged funds and other amounts that have a nexus to the governmental purposes of the Note to the extent that these funds or amounts are held by or derived from a substantial beneficiary of the Note.

"Sale Proceeds" means any amounts actually or automatically received from the sale of the Note including amounts used to pay underwriter's discount or compensation.

ARTICLE TWO

SOURCES AND USES OF PROCEEDS

Section 1. Determination of Sale Proceeds and Net Sale Proceeds.

The Sale Proceeds and Net Sale Proceeds actually or constructively received by the City from sale of the Note are as follows:

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Face Amount of Note	\$1,500,000.00
Sale Proceeds of Note	\$1,500,000.00
Minor Portion	(\$75,000.00)
Net Sale Proceeds of Note	\$1,425,000.00

Section 2. Allocation of Sale Proceeds.

The Sale Proceeds will be allocated to the City's General Fund.

The Sale Proceeds will be allocated to the City's General Fund.

Section 3. Replacement Proceeds.

Except as otherwise described in this Tax Certificate, there are no sinking funds, pledged funds or other amounts that have a nexus to the purposes of the Note and which are expected to be held by or derived from a substantial beneficiary of the Note.

Except as otherwise described in this Tax Certificate, there are no sinking funds, pledged funds or other amounts that have a nexus to the purposes of the Note and which are expected to be held by or derived from a substantial beneficiary of the Note.

Section 4. Term of Note.

The term of the Note is not Longer than is reasonably necessary for the purposes described in the Ordinance. The Net Sale Proceeds of the Note are not substantially in excess of the amounts necessary to accomplish the purposes for which the Note are issued. Net Sale Proceeds of the Note qualify for a temporary investment period.

ARTICLE THREE

TAX ANTICIPATION NOTE SIZING

Section 1. Determination of Cumulative Cash Flow Deficit.

Sale Proceeds of the Note will be allocated for working capital purposes of the City. The City has determined that the excess of (a) the expenses paid during the period beginning on November 1, 1995 and ending no later than one year after that date which would ordinarily be paid out of or financed by anticipated taxes, over (b) the aggregate amount available (other than from proceeds of the Note) during such period for working capital purposes is \$1,500,000 (the "Cumulative Cash Flow Deficit").

Sale Proceeds of the Note will be allocated for working capital purposes of the City. The City has determined that the excess of (a) the expenses paid during the period beginning on November 1, 1995 and ending no later than one year after that date which would ordinarily be paid out of or financed by anticipated taxes, over (b) the aggregate amount available (other than from proceeds of the Note) during such period for working capital purposes is \$1,500,000 (the "Cumulative Cash Flow Deficit").

Section 2. Determination of Available Amount.

For purposes of computation of the Cumulative Cash Flow Deficit, all amounts (including cash, investments and other amount held in accounts or otherwise by the City or a Related Party, but not Sale Proceeds of the Note) are treated as available for working capital purposes of the City if they may be used by the City for working capital expenditures of the type being financed by the Note without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed.

Section 3. Expenditure of Gross Proceeds of Note.

Gross Proceeds of the Note (which include investment earnings on the Net Sale Proceeds and Replacement Proceeds) must be allocated to working capital expenditures before the end of the temporary investment period described in the Article captioned "Investment Limitations." For this purpose, Gross Proceeds may only be considered allocated to expenditures to the extent those expenditures exceed the available amount determined under Section 2 hereof (a Gross Proceeds-spent-last expenditure convention). Gross Proceeds of the Note are not treated as allocated to expenditures if they are allocated to payment of principal on the Note.

ARTICLE FOUR

TEMPORARY INVESTMENT PERIOD

The City reasonably expects to allocate the Sale Proceeds of the Note to Working Capital Expenditures within 13 months of November 1, 1995. The Net Sale Proceeds of the Note qualify to be invested in Materially Higher Yield Investments for 13 months from November 1, 1995.

ARTICLE FIVE

TAX ANTICIPATION NOTE REDEMPTION FUND

The Ordinance establishes the Tax Anticipation Note Redemption Fund which is to be used primarily to achieve a proper matching of revenues with principal and interest requirements on the Note and which will be completely depleted within one year of November 1, 1995.

ARTICLE SIX

INVESTMENT LIMITATIONS

Section 1. General Fund.

Money allocated to the General Fund will not be invested in Materially Higher Yield Investments after 13 months from November 1, 1995.

Section 2. Tax Anticipation Note Redemption Fund.

Money allocated to the credit of the Tax Anticipation Note Redemption Fund will not be invested in Materially Higher Yield Investments for a period that exceeds 13 months from the date such money is deposited therein.

Section 3. Minor Portion.

The Minor Portion will be invested without regard to the rate of investment return or the period of investment.

ARTICLE SEVEN

ARBITRAGE REBATE EXCEPTION

The City is a governmental unit with general taxing powers within the meaning of Section 1.148-8(b) of the Income Tax Regulations and the Note is not a private activity bond within the meaning of Section 141 of the Code. All of the proceeds of the Note will be used for local governmental activities of the City. The City does not expect that the aggregate Issue Price of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Note is issued will exceed \$5,000,000.

ARTICLE EIGHT

GENERAL REPRESENTATIONS

Section 1. Other Obligations.

There are no other obligations of the City that have settlement dates within 15 days of November 1, 1995, are sold pursuant to a common plan of financing together with the Note, and will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds) as the Note. For purposes of this Section 1, the sale date of an obligation is the first day on which that is a binding contract in writing for the sale or exchange of the obligation.

Section 2. Computations and Representations.

The City is not aware of any facts or circumstances that would cause it to question the accuracy of the computations or representations described herein.

Section 3. No Other Funds or Accounts.

Other than the funds and accounts described in this Tax Certificate, there are no other funds, accounts or money of the City held pursuant to the Ordinance or otherwise, which are reasonably expected to the Replacement Proceeds of the Note.

Section 4. Abusive Transactions.

No portion of the proceeds of the Note will be used as a substitute for other funds which will otherwise be used to acquire, directly or indirectly, securities, obligations, annuity contracts or other investment type property that are Materially Higher Yield Investments.

DATED: November 1, 1995

CITY OF LAKEWOOD, WASHINGTON

By: _____

Title: Finance Director

SIGNATURE IDENTIFICATION AND NONLITIGATION CERTIFICATE

We are the duly chosen, qualified and acting Mayor and Interim Clerk of the City of Lakewood, Washington (the "City"), and DO HEREBY CERTIFY that we have executed the following-described tax anticipation note of the City in the manner and capacity indicated by our manual signatures and titles appended thereto.

The note is in the aggregate principal amount of not to exceed \$1,500,000, is designated "Lakewood, Washington, Tax Anticipation Note, 1995," is authorized by ordinance of the City passed October 30, 1995, is dated November 1, 1995, shall mature January 2, 1997, and bear interest on the outstanding principal balance at the rate of 59% the Prime Rate of Seattle-First National Bank, calculated on the basis of a 360-day year and the actual days elapsed and payable at maturity.

We FURTHER CERTIFY that there is no controversy or litigation pending, or to the best of our knowledge threatened, affecting the issuance and delivery of the note, the levying or collection of taxes, the proceedings and authority under which the note is issued and said taxes are levied and other revenues received, the validity of the note, the title of the present officers of the City to their respective offices or the boundaries or corporate existence of the City.

We ALSO CERTIFY that no authority or proceedings for the issuance of the note has or have been repealed, revoked or rescinded.

IN WITNESS WHEREOF, we have hereto affixed our signatures as of this 1st day of November, 1995.

Signature

Title

_____ Mayor

_____ Interim Clerk

* * * * *

STATE OF WASHINGTON)

) ss:

COUNTY OF PIERCE)

On this _____ day of October, 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared William Harrison and Gerri Rainwater, to me known to be the Mayor and Interim Clerk, respectively, of the City of Lakewood, Washington. I hereby identify their signatures on this certificate and on the above-described note as being in all respects true and genuine.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State of
Washington residing at _____
My commission expires _____

S E A L

CERTIFICATE REGARDING OUTSTANDING DEBT

I, Scott Rohlfs, the City Manager of the City of Lakewood, Washington do hereby certify that the City has no outstanding general obligation debt.

Dated this 1st day of November, 1995.

City Manager

LAKWOOD, WASHINGTON

TAX ANTICIPATION NOTE, 1995 - \$1,500,000

CERTIFICATE OF INVESTIGATION BY
PURCHASER AT PRIVATE SALE

The undersigned hereby certifies that Seattle-First National Bank, has made a complete investigation of the facts and circumstances furnished us by Lakewood, Washington (the "City"), relating to the Tax Anticipation Note, 1995 of the City in the principal amount of not to exceed \$1,500,000 being delivered on this date (the "Note") and purchased by us.

Our investigation included, without limitation, the following:

- (1) The nature and purpose of the Note as set forth in Ordinance No. _____ of the City;

- (2) The application of the proceeds of the Note:

- (3) The debt and tax structure of the City, including its ability to repay the principal of and interest on the Note; and

- (4) The purchaser's remedies in the event of default in the payment of principal of and interest on the Note, subject to applicable bankruptcy or insolvency laws, or other similar laws generally affecting creditors' rights.

The investigation undertaken by Seattle-First National Bank is evidenced by documents on file in our office in Seattle, Washington, which information, including financial data furnished by the City, is believed to be sufficient and reliable.

Seattle-First National Bank, as purchaser of the Note, pursuant to the Note Ordinance of the City and our proposal to purchase the Note, is satisfied that we have had access to all material information necessary to make a sound investment decision, that the City has responded fully and accurately in all respects, and that we desire no further information.

DATED as of this 1st day of November, 1995.

SEATTLE-FIRST NATIONAL BANK

By _____

RECEIPT

Seattle-First National Bank, Seattle, Washington, hereby acknowledges receipt from the City of Lakewood, Washington, of the Tax Anticipation Note, 1995 in the principal amount of not to exceed \$1,500,000 this 1st day of November, 1995.

SEATTLE-FIRST NATIONAL BANK

(Title)

_____ Mayor

_____ Interim Clerk

* * * * *

STATE OF WASHINGTON)

) ss:

COUNTY OF PIERCE)

On this _____ day of October, 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly

_____ commissioned and sworn, personally appeared William Harrison and Gerri Rainwater, to me known to be the Mayor and Interim Clerk, respectively, of the City of Lakewood, Washington. I hereby identify their signatures on this certificate and on the above-described note as being in all respects true and genuine.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State of

Washington residing at _____

My commission expires _____

S E A L

CERTIFICATE REGARDING OUTSTANDING DEBT

I, Scott Rohlfs, the City Manager of the City of Lakewood, Washington do hereby certify that the City has no outstanding general obligation debt.

Dated this 1st day of November, 1995.

City Manager

LAKWOOD, WASHINGTON

TAX ANTICIPATION NOTE, 1995 - \$1,500,000

CERTIFICATE OF INVESTIGATION BY

PURCHASER AT PRIVATE SALE

The undersigned hereby certifies that Seattle-First National Bank, has made a complete investigation of the facts and circumstances furnished us by Lakewood, Washington (the "City"), relating to the Tax Anticipation Note, 1995 of the City in the principal amount of not to exceed \$1,500,000 being delivered on this date (the "Note") and purchased by us.

Our investigation included, without limitation, the following:

- (1) The nature and purpose of the Note as set forth in Ordinance No. _____ of the City;
- (2) The application of the proceeds of the Note:
- (3) The debt and tax structure of the City, including its ability to repay the principal of and interest on the Note; and
- (4) The purchaser's remedies in the event of default in the payment of principal of and interest on the Note, subject to applicable bankruptcy or insolvency laws, or other similar laws generally affecting creditors' rights.

The investigation undertaken by Seattle-First National Bank is evidenced by documents on file in our office in Seattle, Washington, which information, including financial data furnished by the City, is believed to be sufficient and reliable.

Seattle-First National Bank, as purchaser of the Note, pursuant to the Note Ordinance of the City and our proposal to purchase the Note, is satisfied that we have had access to all material information necessary to make a sound investment decision, that the City has responded fully and accurately in all respects, and that we desire no further information.

DATED as of this 1st day of November, 1995.

SEATTLE-FIRST NATIONAL BANK

By _____

RECEIPT

Seattle-First National Bank, Seattle, Washington, hereby acknowledges receipt from the City of Lakewood, Washington, of the Tax Anticipation Note, 1995 in the principal amount of not to exceed \$1,500,000 this 1st day of November, 1995.

SEATTLE-FIRST NATIONAL BANK

(Title)

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