

ORDINANCE NO. 2813

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE REGISTRATION OF BONDS AND OTHER OBLIGATIONS OF THE CITY OF KIRKLAND AND AMENDING ORDINANCE 2758.

Be it ordained by the City Council of the City of Kirkland as follows:

Section 1. Section 2 of Ordinance 2758 be and it hereby is amended to read as follows:

Section 2. All bonds and other obligations having a maturity of more than one year issued or entered into by the City which bear or require the City to pay interest which interest is intended by the City to be exempt from federal income taxation, shall be registered as to both principal and interest as provided in this ordinance. Such registration may be carried out by a book entry system of recording the ownership of a bond or other obligation whether or not a physical instrument is issued on the books of the City or the fiscal agency of the State of Washington, or by recording the ownership of a bond or other obligation together with requiring that any transfer or ownership may be effected only by the surrender of the old bond or other obligation and either the reissuance of the old bond or other obligation or the issuance of a new bond or other obligation to the new owner. No transfer of any such bonds or other obligation shall be effective until the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the registrar, shall be recorded on the books of the registrar of the City.

Section 4 of Ordinance 2758 be and it hereby is amended to read as follows:

Section 4. The Director of Administration and Finance for the City is authorized to enter into a contract with the fiscal agency or agencies of the State of Washington in connection with the establishment and maintenance by such fiscal agency or agencies of a central depository system for the transfer or pledge of bonds or other obligations and for the services as authenticating trustee, transfer agent, registrar and paying agent for such bonds and other

obligations. Such contract shall define the rights and duties of such fiscal agency so acting and the means of compensation thereof. In addition, in lieu of making provisions in each ordinance authorizing the issuance of bonds or other obligations, such contract may make specific provision for the procedures for payment, identification by numbers or other designations, the manner of issuance or reissuance of certificates, the manner of transfer, the manner of communication to owners of bonds or other obligations for accounting to the City and for cancelled certificate of destruction, registration and release of securing interest and for such other matters as may be appropriate. Provided however, that in instances where the fiscal agencies of the State of Washington serve as registrar, the City adopts by reference, the contract between the state finance committee of the State of Washington and the fiscal agencies in lieu of executing a separate contract and prescribing by ordinance the rights, duties, obligations and compensation of the registrar. Further provided, that when the City director of administration and finance serves as registrar a separate contract shall not be required.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and posting or publication, as required by law.

Passed by majority vote of the Kirkland City Council in regular, open meeting this 21st day of May, 1984.

Signed in authentication thereof this 21st day of May, 1984.

Loris Cooper
MAYOR

ATTEST:

Tom F. Johnson
Director of Administration & Finance
(ex officio City Clerk)

APPROVED AS TO FORM:

Joseph E. [Signature]
City Attorney

CERTIFICATION OF POSTING

I hereby certify under penalty of perjury that the foregoing ordinance was posted on the 22 day of May, 1984 in accordance with the provisions of RCW 35A.12.160 and City of Kirkland Ordinance No. 2600.

Janice Grey
Clerk

The State of Washington
STATE FINANCE COMMITTEE

ROBERT S. O'BRIEN, CHAIRMAN
STATE TREASURER
JOHN SPELLMAN
GOVERNOR
JOHN A. CHERBERG
LIEUTENANT GOVERNOR

TIM KERR
DEPUTY STATE TREASURER
DEBT MANAGEMENT

May 9, 1984

RECEIVED

MAY 11 1984

AM PM
CITY OF KIRKLAND
BY

TO: ALL PUBLIC FUND TREASURERS

Effective April 11, 1984, the State has established a new fiscal agency/registrar/transfer agent relationship with Seattle-First National Bank and, as New York co-pay, J. Henry Schroder Bank and Trust Company. To assist you in the transition from our relationship with Rainier National Bank, which acted in the fiscal agency capacity previously, to Seattle-First, I am forwarding copies of State Finance Committee Resolution No. 587, appointing the new fiscal agent, and a copy of the contract executed between the State and the banks. These documents set forth the arrangements and/or fees relating to bearer and registered bond payment functions.

Seattle-First and Schroder Bank have been phasing in their responsibilities as follows: Both banks have been undertaking original issue and transfer on new registered bond issues delivered to purchasers since April 1. On or about May 15, they will assume these responsibilities for all outstanding registered bond issues. The new agents will make the June 1 principal and interest payments for bearer and registered bonds.

The names and addresses of the responsible individuals and the banks are:

David Henwood, AVP & Manager
Bond Trustee Services
Seattle-First National Bank
1001 Fourth Ave., 9th Floor
Seattle, Washington 98154
Phone: (206) 583-5000

Michael J. Pellino, V.P.
J. Henry Schroder Bank and
Trust Company
One State Street, 11th Floor
New York, New York 10015
Phone: (212) 269-6500

I urge you to contact Seattle-First if you have questions regarding transfer of funds for the June 1 payment date.

I would like to take this opportunity to reiterate what all treasurers who have worked with Rainier and Chemical Bank already know. The quality of their work has been excellent throughout their 13 year appointment. They have exhibited this same degree of professionalism and commitment in accommodating their successors during the transition period. We thank them for their assistance.

OFFICE OF THE STATE TREASURER

LEGISLATIVE BUILDING • OLYMPIA, WASHINGTON 98504 • TELEPHONE (206) 753-1464

May 9, 1984

For their part, I believe that Seattle-First and Schroder Bank will provide the State and its political subdivisions this same high quality of service during their four year appointment. I have had the opportunity to observe this first hand during the delivery and original issue of the State's recent \$158 million bond issue. Considering the brief interval between their appointment and the delivery of the bonds, I was very much impressed with the work of the two banks.

Your offices and mine can serve an important "performance audit" function during the term of the current contract. Please do not hesitate to provide me with your comments as you become more familiar with and more involved in this new relationship.

Sincerely,



ROBERT S. O'BRIEN
STATE TREASURER AND CHAIRMAN
STATE FINANCE COMMITTEE

WASHINGTON STATE FISCAL AGENCY AGREEMENT

Fiscal Agency Agreement dated as of April 11, 1984, by and among the State Finance Committee on behalf of the State of Washington (the "State Finance Committee"), Seattle-First National Bank, a national banking association and J. Henry Schroder Bank & Trust Company, a State of New York Corporation.

1. Definitions; governing resolution, statutes and regulations
2. Sale of Bonds [Original Issue (O/I)]
3. Re-registration, Reissue and Transfer
4. Payment of Interest
5. Redemption and Call
6. Services by Schroder
7. Destruction
8. Fees
9. Additional Requirements, Procedures and Conditions
10. Release
11. Agreement between Seafirst and Schroder
12. Signatures and Date

1. Definitions; governing resolution, statutes and regulations

a. Unless the context clearly requires otherwise, the definitions in this section apply throughout this contract.

- (1) "Bonds" means any agreement which may or may not be represented by a physical instrument, including notes, warrants, or certificates of indebtedness, that evidences an indebtedness of the State or Local Government or a fund thereof, where the State or Local Government agrees to pay a specified amount of money; with or without interest, at a designated time or times to either registered owners or bearers.
- (2) "Schroder" means J. Henry Schroder Bank & Trust Company, New York, the appointed Registrar, located in New York, New York.
- (3) "Issuer" means the State or Local Government issuing the Bonds.
- (4) "Local Government" means any county, city, town, special purpose district, political subdivision, municipal corporation, or quasi-municipal corporation, including any public corporation created by such an entity, when opting to use the State's selected Fiscal Agents.

- (5) "Seafirst" means Seattle-First National Bank, Seattle, Washington, the appointed Registrar, located in Seattle, Washington.
 - (6) "Registrar" or "Bank(s)" or "Fiscal Agent(s)" means Seafirst and/or Schroder.
 - (7) "State" includes the State of Washington, agencies of the state, and public corporations created by the state or agencies of the state.
- b. This contract is to be governed by and comply with the terms and conditions of the following:
- (1) RCW 43.80;
 - (2) State Finance Committee Resolution No. 587 dated April 3, 1984;
 - (3) Securities and Exchange Commission and other regulatory agencies governing the securities and security transfer industry.

2. Sale of Bonds [Original Issue (O/I)]

- a. The Issuer is to provide to the Registrar (both, unless otherwise directed by Seafirst)
- (1) Copies of authorizing bond resolutions and offering circulars, if any, a minimum of three weeks prior to closing;
 - (2) Copies of specimen certificate forms two weeks prior to closing;
 - (3) An adequate supply of printed certificates one week prior to closing;
 - (4) A list of registered holders, with addresses and tax identification numbers, five business days prior to closing;
 - (5) Resolution or letter of instructions directing the authentication and delivery of Bonds by the Registrar at least 5 business days prior to closing;
 - (6) Final approving legal opinion by date of closing;
 - (7) Names and specimen signatures of the authorized officers of the Issuer, if not on file, by date of closing;
- b. The Registrar is to
- (1) Imprint the names, amounts, rates and maturity dates on the certificates;

- (2) Authenticate and deliver the certificates to the underwriter or purchaser against receipt;
- (3) Maintain accurate records of all certificates received, issued and delivered;
- (4) Maintain unissued inventory control and safekeeping;
- (5) Maintain listings of registered holders and certificate numbers.

3. Re-registration, Reissue and Transfer

a. The Issuer is to provide to the Registrar

- (1) A working supply of printed certificates to allow compliance with S.E.C. turn-around regulations;
- (2) Legal opinion or directions on questionable transfers.

b. The Registrar is to

- (1) Maintain bondholder accounts including changes of address;
- (2) Maintain routine bondholder correspondence, including that necessary for replacement of lost certificates and checks;
- (3) Provide periodic transfer journals if requested in writing by Issuer;
- (4) Provide for examination of old certificate(s) for proper endorsement and supporting documentation;
- (5) Provide for issuance of new certificate(s) of like rate, amount(s), and maturity and update of the bondholder account records;
- (6) Provide for cancellation of old certificate(s);
- (7) Provide for delivery of new certificate(s).

4. Payment of Interest

a. The Issuer is to provide to the Registrar

- (1) An appropriate record date as determined by the issue documentation and industry standards;
- (2) Collected or federal funds on the interest payable date, which shall be the due date prescribed in the Bonds.

- b. The Registrar is to provide for
 - (1) Preparation of the interest checks as of the predetermined record date;
 - (2) Audit of interest payment amounts;
 - (3) Envelopes, stuffing of checks, affixing of postage, mailing of interest checks on the due date; provided, however, that if the payment of debt service to the Registrar is not timely, payment or mailing of interest checks may be delayed until receipt by the Registrar of such payment.

- 5. Redemption and Call
 - a. The Issuer is to provide to the Registrar
 - (1) Information in writing as to call dates and amounts for any Bonds called prior to scheduled maturity date;
 - (2) Instructions as to notification of registered bondholders;
 - (3) Evidence of proper call publication notices;
 - (4) Collected or federal funds on the principal redemption/call date.

 - b. The Registrar is to provide for
 - (1) Payment of principal to registered owner or assignee upon presentation of certificates properly endorsed;
 - (2) Cancellation of redeemed certificates;
 - (3) Audit of payment amounts.

- 6. Services by Schroder:
 - a. Handle Original Issue (O/I) for all State issues and all Local Government issues of \$10,000,000 and more;
 - b. Handle re-registration of certificates for all State issues and all Local Government issues of \$10,000,000 and more;
 - c. Notwithstanding the foregoing subparagraphs a. and b., as to any such issue or issues, Seafirst and Schroder can mutually agree that such issue or issues or re-registration shall be handled by Seafirst;
 - d. When mutually agreeable by Seafirst and Schroder, handle re-registration of certificates for State issues and Local Government issues of less than \$10,000,000;

- e. Act as the New York drop for all other certificates which are transferable at Seafirst. Schroder will:
 - (1) Receipt for certificates;
 - (2) Send certificates to Seafirst for re-registration;
 - (3) Re-deliver new certificates upon return from Seafirst;
- f. Make payment of matured and called bonds upon presentation, provided that the Issuer has provided Seafirst with sufficient collected or federal funds;
- g. Provide daily electronic transmissions to Seafirst covering all original issues, transfers, and redeemed certificates processed by Schroder. If electronic transmission is not possible, daily transaction journals ("hard copy") shall be provided;
- h. Schroder fees will be billed to and paid by Seafirst;
- i. Maintain inventory, safekeeping, and proper audit controls over unissued certificates under its control;
- j. Ship cancelled certificates to Seafirst as frequently as mutually acceptable to Schroder and Seafirst.

7. Destruction

The subject of destruction is covered in RCW 43.80.130. However, at the time of this contract an industry standard has not been determined for the destruction of registered bonds. The responsibilities of the parties under this section will be determined by agreement at some later date since RCW 43.80.130 does not permit the destruction of paid or cancelled items until after one year.

8. Fees

Exhibit A attached hereto contains the fees and charges of the Registrar for providing the services outlined by this contract. Fees for the processing of registered items may be deducted semi-annually by the Registrar from the rebates of earnings due the Issuer.

9. Additional Requirements, Procedures and Conditions

- a. Limit of Authority: \

Unless otherwise expressly limited by the resolution of appointment or by subsequent action, the appointment of the Registrar will be construed to cover the full amount of authorized issuance.

b. Bond Certificates:

Printed bond certificates shall be signed by authorized officers of the Issuer and, if required, shall bear the seal or facsimile thereof.

c. Death, Resignation or Removal of Signing Officer:

The Issuer shall file promptly with the Registrar written notice of any change in the officers authorized to sign bond certificates, written instructions, or requests, together with the specimen signatures of each newly authorized officer. In case any authorized officer of the Issuer who shall have signed blank bond certificates shall die, resign or be removed prior to the issuance of such certificates, the Registrar may issue or register such bond certificates as the bond certificates of the Issuer notwithstanding such death, resignation or removal; and the Issuer shall file promptly with the Registrar such approval, adoption or ratification as may be required by law.

d. Future Amendments of Bond Resolution:

The Issuer shall file with the Registrar certified copies of all amendments to bond resolutions made on or after the date of this agreement.

e. Instructions, Opinion of Counsel and Signatures:

At any time the Registrar may apply to an authorized officer of the Issuer for instructions and may consult counsel for the Issuer or its own counsel in respect of any matter arising in connection with this agreement and it shall not be liable for any action taken or omitted by it in good faith in accordance with such instructions or with the advice or opinion of such counsel. The Registrar shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by any authorized officer and shall not be held to have notice of any change of authority of any authorized officer until receipt by it of written notice thereof from the Issuer. It shall also be protected in recognizing certificates which it reasonably believes to bear the manual or facsimile signatures of the authorized officers of the Issuer and the counter-signature of a Registrar or any predecessor registrar thereto.

f. Papers Subject to Approval of Bank Counsel:

All documents filed in connection with this agreement after execution hereof may be subject to the approval of counsel for the Banks.

g. Certification of Documents:

If any bond resolutions of the Issuer and amendments are required by law to be filed also with the State or other officer or official body, a certificate of such filing shall appear on the certified copy submitted to the Registrar.

h. Responsibility:

The Issuer assumes full responsibility and will indemnify the Registrar and save it harmless from and against any and all actions or suits, whether groundless or otherwise, and from and against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liabilities arising out of the agency relationship where the Registrar has acted in good faith and with due diligence and without negligence. The Registrar shall not be under any obligation to prosecute any action or suit in respect of the agency relationship which, in its sole judgement, may involve it in expense or liability, unless the Issuer shall, as often as requested, furnish the Registrar with satisfactory indemnity against any expense or liability growing out of such action or suit by or against the Registrar in its agency capacity.

i. Records:

The Banks will maintain appropriate records in connection with their agency. Upon request of the State Finance Committee, Seafirst will provide records of cash flow, i.e., receipts and disbursements, in the fiscal agency accounts of the designated fiscal agent(s) and aggregate data relating to and the number of issues and amounts of bonds and coupons redeemed and cremated.

j. Disposition of Books, Records, and Cancelled Certificates:

The Banks will periodically micro-film said books, documents and records no longer deemed needed for current purposes and bond certificates which have been cancelled in transfer or in exchange and destroy the original documents.

k. Bearer Items:

(1) Seafirst and Schroder agree to pay bearer bonds and coupons immediately upon presentation on the due date, provided that monies payable by the Issuer are actually received by 3 p.m. on such due date;

(2) Upon written request of the state or local treasurer, Seafirst shall furnish to that treasurer a status report of all bonds and coupons unpaid after one year from the date of maturity of such bonds and coupons.

1. Transfer of Bonds:

Bonds will be transferred and new certificates issued in transfer upon the surrender of the old certificates in form deemed by the Registrar to be properly endorsed for transfer and accompanied by such documents as the Registrar may deem necessary to evidence the authority of the person making the transfer. In the case of small estates, where no administration is contemplated, the Registrar may, under a surety company bond of indemnity acceptable to it and without further approval of the Issuer, transfer bonds registered in the name of a decedent. The Registrar reserves the right to refuse to transfer bonds until it is satisfied that the endorsement on the certificate is valid and genuine and for that purpose it may require a guaranty of signature by a member firm of an acceptable stock exchange or by a bank or trust company acceptable to the Registrar. The Registrar also reserves the right to refuse to transfer bonds until it is satisfied that the requested transfer is legally authorized and it shall incur no liability for the refusal in good faith to make transfers which it, in its judgement, deems improper or unauthorized. The Registrar may, in effecting transfers, rely upon the Uniform Commercial Code which in the opinion of counsel to Seafirst or Schroder protects it and the Issuer in not requiring complete documentation.

m. Delivery of Bond Certificates by Mail:

The Registrar will forward bond certificates in "non-negotiable" form by first class mail and bond certificates in "negotiable" form by registered mail. All such mail deliveries shall be covered, while in transit to the addressees, by insurance arranged for by the Registrar.

n. Replacement of Bond Certificates:

The Registrar may issue new certificates in place of certificates represented to have been lost, stolen, seized or destroyed upon receiving written instructions from an authorized officer of Issuer and indemnity satisfactory to the Registrar. It may issue a new certificate in exchange for, and upon surrender of, an identifiable mutilated certificate.

o. Unclaimed and Undelivered Bond Certificates:

When a bond certificate, for any reason, is left in the possession of the Registrar and has not been claimed by the registered owner or cannot be delivered to the registered owner through usual channels, the Registrar may after the expiration of three years from the date said certificate was issued, forward said certificate to the Issuer for disposition in accordance with applicable laws.

p. Bondholder Lists:

The Registrar will supply bondholder lists to the Issuer upon receiving written instructions from an authorized officer of the Issuer.

q. Inspection of Bond Register:

In case of any request or demand for the inspection of the bond register books of the Issuer, the Registrar will endeavor to notify the Issuer and secure instructions prior to permitting or refusing such inspection. The Registrar reserves the right however, to exhibit the bond register books to any person in case it is advised by its counsel that it may be held liable for the failure to exhibit the bond register books to such person.

r. Bond Call Notification:

The Issuer shall give written notice to the Registrar of its election to redeem Bonds prior to maturity at least sixty (60) days prior to the redemption date or within such shorter period as shall be acceptable to the Registrar, and if notice of redemption is to be mailed to registered bondholders by the Registrar, such notice shall contain all the information necessary to enable the Registrar to mail the notice of redemption in the manner aforesaid.

s. Unclaimed Interest and/or Principal:

Upon the written request of the Issuer, after a period of one year after the last payment date on matured bonds of the Issuer, the funds remitted to the Registrar to redeem coupons and bonds which are unredeemed by the holders, or to pay interest checks which are unpaid, shall be returned to the Issuer, who shall remain obligated for the final redemption of the unredeemed coupons and bonds and payment of unpaid interest.

t. Renegotiation:

Upon request of the State Finance Committee, Seafirst and Schroder will re-negotiate this agreement with the State Finance Committee in the event the Federal Reserve Board changes its regulations concerning interest on deposits.

u. The Bank may resign as Fiscal Agent at any time by giving ~~90~~ 180

days written notice of such resignation to the Issuer at its last known address, and thereupon its duties as Fiscal Agent shall cease. The Bank may be removed as Fiscal Agent at any time for cause by resolution of the Issuer, giving 180 days written notice to the Bank. The Bank shall be furnished with a certified copy of such resolution. Upon resignation or removal

the Bank may, to the extent permitted by law, deliver to its successor or to the Issuer its records as Fiscal Agent.

10. Release

Seafirst and Schroder, as successor Fiscal Agents to Rainier National Bank, Seattle, WA, ("Rainier") and Chemical Bank, New York, NY ("Chemical"), absent actual knowledge of a breach of duty by Rainier or Chemical as Registrar:

- a. Shall not be liable for any act or omission of Rainier, Chemical or any other predecessor and shall not be obligated to inquire into the validity or propriety of any such act or omission;
- b. Is authorized to accept as conclusively accurate any accounting, statement of assets or other items tendered by Rainier or Chemical;
- c. Is authorized to receipt only for assets actually delivered and has no duty to make further inquiry as to undisclosed assets or matters pertaining to the agency;
- d. Shall not be liable for payment of items payable prior to the date of assumption of duties as Fiscal Agent for which there are insufficient funds.

Nothing contained herein shall in any way preclude Seafirst or Schroder, as successor Fiscal Agents, the Issuer or any other party in interest from bringing any action against Rainier, Chemical or any other predecessor arising out of the acts or omission of Rainier, Chemical or any such predecessor, nor relieve Seafirst or Schroder as successor Fiscal Agents of any liability for their own acts or omissions except as specifically stated or authorized herein or elsewhere in this contract.

11. Agreement between Seafirst and Schroder

Notwithstanding the foregoing, it is agreed and understood by the parties to this Agreement that some of the duties and responsibilities hereunder shall be performed exclusively by Seafirst; that the identification of such duties and responsibilities shall be the subject of a separate letter of agreement between Seafirst and Schroder; that an executed copy of such letter of agreement shall be provided the State Finance Committee; and that as to said duties and responsibilities, the State Finance Committee shall look exclusively to Seafirst for compliance and performance.

12. Signatures and Date

The following agree to the terms and conditions of this contract and the attachments thereto:

Signed this 11th day of April, 1984.

STATE OF WASHINGTON
STATE FINANCE COMMITTEE

By: 

ROBERT S. O'BRIEN, STATE TREASURER
NAME TITLE

SEATTLE-FIRST NATIONAL BANK

By: 

DAVID L. HENWOOD, AVP

J. HENRY SCHRODER BANK & TRUST COMPANY

BY: 

MICHAEL J. PELLINO VICE PRESIDENT
NAME TITLE

SR. DEPUTY ATTORNEY GENERAL,
STATE OF WASHINGTON
APPROVED AS TO FORM

BY: 

PHILIP H. AUSTIN
NAME

SEATTLE-FIRST NATIONAL BANK & J. HENRY SCHRODER BANK & TRUST COMPANY
FEE SCHEDULE AND REBATE FOR WASHINGTON STATE FISCAL AGENCY

This schedule represents fees for State and Local Government registered bond issues. Charges for services not specifically identified in the schedule will be based on appraisal. Charges for original issue will be billed by Seafirst following the closing. All other charges will be billed semi-annually by Seafirst at each interest payable date. Fees of Schroder will be paid by Seafirst.

A. BOND ISSUE MAINTENANCE

Annual Fee of \$25.00 for each bond issue. This fee includes:

- Maintaining account records
- Establishing new accounts
- Termination of old accounts
- Processing changes of addresses
- Routine correspondence including lost securities and checks
- Supplies and standard envelopes
- Preparation and issuance of interest checks*
- Research, maintenance and escheatment of returned checks

*See paragraph D below for mailing and postage charges

B. CERTIFICATE ISSUANCE

- | | |
|--|-------------|
| 1. Original Issue (O/I), per certificate issued: | \$1.25 each |
| 2. Transfer of Certificates (re-registration): | |
| per certificate issued in Seattle | \$1.50 each |
| per certificate issued in New York | \$3.00 each |

This fee includes:

- Checking stop transfer restrictions
- Examining adequacy of transfer instructions
- Daily posting of all certificates issued and cancelled
- Daily transfer reports, if requested*
- Preparation, issuance and delivery of new certificates*
- Controlling supply of unissued certificates
- Filing, storage and destruction or return of cancelled certificates*

*See paragraph D below for mailing and postage charges.

C. DOCUMENTARY TRANSFERS AND STOP PAYMENTS

\$10.00 per transaction for each legal transfer or each replacement of a lost security.

Includes the review, correspondence, processing and filing of required certificates, court orders, wills, letters of administration, affidavit, indemnity, surety or other required documentation.

D. ADDITIONAL SERVICES AND CHARGES (Billed at Actual Cost)

Mail insurance
Registered Mail
Regular First Class Postage
Delivery Service
Shipping costs
Computer System and program changes, if requested
Travel expenses, if required
Microfilming of cancelled certificates, if required

E. REBATE OF INTEREST EARNED ON INVESTABLE FUNDS

1. Investable funds are calculated as follows:

Collected balance of all Washington State Fiscal Agency issues
less refunded balances
less reserve requirement (currently 12%)
Investable funds (rounded to lower \$1,000)

2. Interest earned on 53% of investable funds associated with bearer issues will be rebated annually.
3. Interest earned on investable funds associated with registered issues be rebated annually based on the following:
 - 10% in the first contract year
 - 13% in the second contract year
 - 16% in the third contract year
 - 20% in the fourth contract year

OFFICE OF THE STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 587

WHEREAS, the State Finance Committee of the State of Washington in an open public meeting on March 7, 1984, voted to accept the proposal of the Seattle-First National Bank, Seattle Washington and J. Henry Schroder Bank & Trust Company, of New York City to serve as co-fiscal agents for the State of Washington and its political subdivisions in accordance with RCW 43.80;

NOW, THEREFORE, BE IT RESOLVED by the State Finance Committee acting for and on behalf of the State of Washington that Seattle-First National Bank and J. Henry Schroder Bank & Trust Company, in the City of New York, be appointed to serve as co-fiscal agents for the State of Washington and its political subdivisions in accordance with the provisions of their proposal of February 13, 1984 and their supplementary letter dated February 24, 1984, provided that such appointment is made upon the following terms and conditions:

(1) In order to provide for an orderly transition of records and functions to said co-fiscal agents, the State Finance Committee adopts a phased implementation plan as follows:

(a) As of the effective date of the contract executed pursuant to this Resolution, Seattle-First National Bank and J. Henry Schroder Bank & Trust Company will provide original issue, transfer agent, and registrar functions for obligations delivered to purchasers after April 1, 1984.

(b) On or about May 15, 1984, Seattle-First National Bank and J. Henry Schroder Bank & Trust Company will assume paying agent, transfer agent and registrar functions for all registered obligations of the State and its political subdivisions.

(c) As of June 1, 1984, Seattle-First National Bank and J. Henry Schroder Bank & Trust Company will assume responsibility for payments due on outstanding bearer obligations.

(d) Pending the completion of said implementation period, Rainier National Bank and Chemical Bank will continue to function and are entitled to compensation as provided in Resolution No. 319, adopted April 19, 1979, as supplemented by Resolution No. 552, adopted June 16, 1983.

(2) The parties wish that said appointment comply with Public Law 97-248 (Tax Equity & Fiscal Responsibility Act of 1982 "TEFRA") governing issuance of tax exempt securities as follows:

(a) That the Finance Committee designates the Fiscal Agents as the Registrar and Transfer Agent for tax exempt securities issued by the State and those subdivisions wishing to use such Fiscal Agents under the revised Federal Law (TEFRA);

(b) That the Fiscal Agents are authorized to and shall act in accordance with the requirements, rules and regulations set forth under the "Rules of the Stock Transfer Association", the "Uniform Stockholder Description (as adopted by The New York Clearing House Association)", the "Uniform Commercial Code" and the Securities and Exchange Commission "Regulation of Transfer Agents (Release No. 34-13636)";

(c) That the Fiscal Agents are authorized to register bonds or other obligations as to principal and interest and in the denominations as so directed by an appropriate resolution signed by the issuing body. The Fiscal Agents are to record the ownership of a bond or other obligation and transfer of ownership may only be effected by surrender of the old bond or other obligation and either the reissuance of the old bond or other obligation or the issuance of a new bond or other obligation to the new owner and to cancel such surrendered bond or other obligation. Fiscal Agents are authorized to maintain a sufficient supply of certificates to accomplish this process. The methods and systems used by said Fiscal Agents shall conform to the requirements of the rules and regulations of the agencies referenced in the preceding paragraph or other appropriate agencies.

(d) That the Fiscal Agents may assume that the interest record date is the 15th of the month preceding the interest payable date unless directed otherwise in the issuing resolution, referenced above, and said Fiscal Agents will make payment of interest to the registered holders on the interest payable dates and make payment of principal redemptions to the registered owner or a designated assignee upon surrender of said registered bond or other obligation.

(e) That the Fiscal Agents are to account to the issuing body for all transactions, registrations, re-registrations, cancelled certificates, inventory of unissued certificates and for the cremation or destruction of cancelled certificates.

(f) That the procedures outlined herein are adopted as the system of registering the ownership of bonds issued by the State in accordance with the provisions of RCW 43.80 as amended by Ch. 167, Laws of 1983.


(3) The terms of this appointment shall be subject to change, modification or renegotiation as may be necessary to comply with subsequent statutory and/or regulatory rulings by governing agencies. Without limiting the foregoing, such changes shall include interpretation of the arbitrage provisions of the Internal Revenue Code by the Internal Revenue Service or courts of competent jurisdiction which, in the opinion of the State Finance Committee after consultation with counsel to the State or its political subdivisions, may adversely affect the nontaxable status of bonds or other obligations issued by the State or its subdivisions were the fiscal agency agreement to be applied in accordance with its existing terms.

(4) Pursuant to this Resolution the Chairman of the State Finance Committee is authorized to execute a contract with Seattle-First National Bank and J. Henry Schroder Bank & Trust Company with respect to their appointment as fiscal agents pursuant to RCW 43.80 for bearer and registered obligations of the State and its political subdivisions, implementation of said registration system and a fee structure governing costs of said bond registration, transfer of ownership, and maintenance of bondholder accounts on behalf of the State and its subdivisions. The effective date of this appointment will be the date of execution of said contract. The fiscal agents will serve for a term of four years or until a qualified successor has been appointed.


ADOPTED at an open meeting of the State Finance Committee of the State of Washington, at Olympia, Washington, on April 3, 1984.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON


Chairman Robert S. O'Brien


Governor John Spellman


Lieutenant Governor John A. Cherberg

ATTEST:

TIM KERR, Deputy State Treasurer
and Recording Officer
State Finance Committee