

Form of Authorizing Resolution

Resolution No. 107-07

Authorization for the acquisition of real property and execution of a financing contract, site lease and related documentation relating to the acquisition of said **REAL PROPERTY**.

WHEREAS, Mason County (the "Local Agency") has executed a Notice of Intent to the Office of State Treasurer, in the form attached hereto as Annex 1 (the "NOP"), in relation to the acquisition of and the financing of the acquisition, improvement and betterment (collectively, the "acquisition") of the Property, as defined below, under the provisions of RCW ch 39.94; and

WHEREAS, it is deemed necessary and advisable by the Board of County Commissioners of the Local Agency that the Local Agency acquire the real property identified on Annex 1 attached hereto ("Property"); and

WHEREAS, it is deemed necessary and advisable by the Board of County Commissioners of the Local Agency that the Local Agency enter into a Local Agency Site Lease with the Washington Finance Officers Association in the form attached hereto as Annex 2 to facilitate the financing of the Property;

WHEREAS, it is deemed necessary and advisable by the Board of County Commissioners of the Local Agency that the Local Agency enter into a Local Agency Financing Lease with the Office of the State Treasurer, in the form attached hereto as Annex 3 (the "Local Agency Financing Lease"), in an amount not to exceed \$15,000,000.00, in order to acquire the Property, and finance the acquisition of the Property and related financing costs;

WHEREAS, the Local Agency will undertake to acquire and/or improve the Property on behalf of and as agent of the Washington Finance Officers Association (the "Corporation") pursuant to the terms of the Local Agency Financing Lease, and in accordance with all applicable purchasing statutes and regulations applicable to the Local Agency; and

WHEREAS, the Local Agency desires to appoint the individuals set forth in Annex 4 as the representatives of the Local Agency in connection with the acquisition of the Property and execution of the Local Agency Financing Lease (each an "Authorized Agency Representative");

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Mason County as follows:

Section 1. The individuals holding the offices or positions set forth in Annex 4 are each hereby appointed as a representative of the Local Agency in connection with the acquisition of the Property and execution of the Local Agency Financing Lease and all other related documents. A minimum of 1 Authorized Agency Representative shall be required to execute any one document in order for it to be considered duly executed on behalf of the Local Agency.

Section 2. The form of the Local Agency Site Lease attached hereto as Annex 2 is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Site Lease, in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, to facilitate the acquisition and/or improvement of the Property and financing of the acquisition of the property.

Section 3. The form of the Local Agency Financing Lease attached hereto as Annex 3 is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Financing Lease, in an amount not to exceed \$15,000,000.00, plus related financing costs, and in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, for the acquisition of the property and financing of the acquisition of the Property and related financing costs.

Section 4. The Local Agency hereby authorizes the acquisition of the property as agent of the Corporation in accordance with the terms and provisions of the Local Agency Financing Lease.

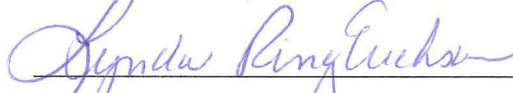
Section 5. The Authorized Representatives are hereby authorized to execute and deliver to the Office of State Treasurer all other documents, agreements and certificates, and to take all other action, which they deem necessary or appropriate in connection with the financing of the property, including, but not limited to, any amendment to the NOI, any tax certificate and any agreements relating to initial and ongoing disclosure in connection with the offering of securities related to the financing.

Section 6. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of County Commissioners of Mason County, at a regular/special meeting thereof held this 18th day of September, 2007.



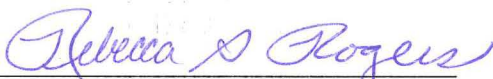
BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Lynda Ring Erickson, Chair


Tim Sheldon, Commissioner


Ross Gallagher, Commissioner

ATTEST:


REBECCA S. ROGERS, Clerk of the Board

Notice of Intent

State of Washington LOCAL(Local Option Capital Asset Lending)

FILE COPY

MAILED
7-8-06
ATTN: [unclear]
[unclear]

Local Government Information

County: Mason County

Legal Name: Mason County Department of Public Works

MCAG No.: 0144

Contact Person: Charles M. Butros

Title: Director of Public Works

Address: P.O. Box 1850 Shelton, Washington

Zip: 98584

Phone: 360-427-9670 Ext. 463 Fax: 360-427-7783

E-mail: charlesb@co.mason.wa.us

Would you prefer to receive financing documents (check one): ☐ Already have financing documents

X ☐ MS Word 6.0 by e-mail

☐ 3.5" disk - Word 97 by U.S. mail

☐ Hard copy by U.S. mail

Property (Real Estate or Equipment)

Property description (include quantity, if applicable): Construction funding for Public Works Buildings

Total cost: \$ 16,000,000.00 Maximum amount to finance \$15,000,000.00

Finance term: 20 years Useful life: 75 years Desired financing date: Late 2006

Purpose of property (Please be specific and include dept. of use):

Construction of a new Public Works Facility consisting of : a County Road Administrative / Road Maintenance office and operations building, an Emergency Operations Center for the County which will be located in the Road office building, an Equipment Rental and Revolving Fund Vehicle Maintenance Shop building, Sign Shop, Fuel Island and Vehicle Wash facility as well as enclosed heated and unheated vehicle and equipment storage structures and free standing canopies for vehicle storage, and erection of a Radio tower, water tower and emergency generator housing.

Public Works currently owns the land upon which these structures will be constructed. I have attached a copy of the Statutory Warranty Deed. (Exhibit B)

If real estate, the Real Estate Worksheet: ☐ Is attached ☐ Will be provided by (date)

If equipment, will the property purchase price be paid with: ☐ program proceeds or ☐ general funds to be reimbursed from program proceeds? If general funds are to be used, include a copy of the local agency's reimbursement resolution with the financing documents.

Security Pledge

☐ Voted general obligation of local government.. XX ☐ Non-voted general obligation of local government

Other Information

Approximate population: 52,000 (not required for cities and counties).

If any of the following apply, please provide a complete discussion on a separate page:

☐ Yes ☒ No Does the local government use registered warrants, interfund loans or other cash flow borrowing?

☐ Yes ☒ No Is the local government a party to significant litigation?

☐ Yes ☒ No Is this a reimbursement? If yes, date funds spent

We are not required to submit the Credit Form because

Does local government have a bond rating? ☐ XX Yes ☐ No

Bond rating(s): AAA (Exhibit A)
(attach rating agency letter)

By executing this Notice of Intent, the local agency acknowledges, agrees to and accepts its designation and appointment as the agent of the nominal lessor in connection with the acquisition of the project. By executing this Notice of Intent, the local agency further acknowledges and agrees that certificate counsel and any other special counsel to the state in connection with the authorization, issuance and delivery of the certificates and the related financing documents shall not be acting, and shall not be deemed to act, as counsel to the

local agency, nor shall any attorney-client relationship exist or be deemed to exist between such counsel and any participating local agency in connection with such matters.

Submitted by: Charles M. Butros Title: Director of Public Works

Signature:  Date: 7/5/2006

Real Estate Worksheet

FILE COPY

LOCAL Program

(3 pages)

General

Common name of property/building: Mason County Public Works Facility

Address of property/building: Property is not addressed yet

Agency contact re: real estate/construction: Charles M. Butros, Director of Public Works
Or: Bill Tabor, County Engineer
Or : Dave Loser, ER & R Manager

Agency contact re: financing: Karen Dowling, P.W.Finance Manager

Expected interim financing provider None, asking for Direct Financing

Timing

If acquisition, what is target acquisition date? Anticipate moving into facility in early 2008

If construction, what is expected timing?

Bid date: 01 / 2007

Construction start: 03 / 2007

Construction completion: 12 / 2007

Estimated Project Budget**

Please provide an estimated project budget as follows. All soft costs should be identified.

Acquisition price	<u>0</u>
Acquisition costs (provide detail)	<u>0</u>
Title insurance	<u>0</u>
Phase I	<u>0</u>
Other _____	<u>0</u>
Other _____	<u>0</u>
Construction Costs	<u>0</u>
Contract price (estimated)	<u>15,000,000.00</u>
Architect/Engineer	<u>1,250,000.00</u>
Other In-House site development	<u>50,000.00</u>
Other Construction management	<u>200,000.00</u>
Total project cost	<u>16,500,000.00</u>
Amount paid by agency	<u>1,500,000.00</u>
Total amount to borrow	<u>15,000,000.00</u>

** Include only costs to be incurred by the agency. All costs relating to the LOCAL Program financing will be estimated and provided by the Office of the State Treasurer.

Required Information and Documentation

- 1) Please provide a copy of the **legal description** of the property to OST, who will provide a copy to certificate counsel as well. ☐ Copy of Statutory Warranty Deed attached- **Exhibit B**
- 2) Has a title report or preliminary commitment for **title insurance** been obtained? Yes ☐ No ☒
If so, please provide a copy to OST ☐ Copy of Title Report Attached – **Exhibit C**
- 3) Has a Phase 1 **environmental review** been performed? Yes ☐ No ☒
If not, why not? If so, were there any items that indicated the need for a Phase 2 review?

This is an upland site with no critical habitat and no ESA issues. We have not done an Environmental review yet, but will do so during the design phase. Our environmental division has done a cursory review and found no areas of concern on the property.

- 4) Is the agency seeking:

Reimbursement through the LOCAL Program? Yes ☐ No ☒

If so, a Reimbursement Resolution must be completed and provided to OST as soon as possible.

Describe the source of funds being reimbursed.

Refinancing through the LOCAL Program? Yes ☐ No ☒

If so, please provide a copy of the existing financing contract to OST.

Financing Structure and Terms

Amount to be financed 15,000,000.00

Desired length of financing 20 Years

First payment date desired December 1, 2007
(All payments are due on June 1 and December 1 of each year)

Final payment date December 1, 2027

Repayment source Revenues
(i.e. voted levy, revenues, savings from payment reductions)

Use of Land or Building

- 1) What is the size of the building (square feet)? County Road Facilities Est. 25,000 sq.ft.
Vehicle Maintenance Shop Est. 26,500 sq.ft.
Vehicle & Equipment Storage Est. 5,000 sq.ft.
- 2) What is the intended use of the building? Offices, Road Maintenance crew shop, Emergency Operations Center, Maintenance Shop and Vehicle & Equipment Storage buildings.
- 3) Is the property to be acquired currently occupied by any agency of the State, or any local government agencies? NO
- 4) Is the property currently occupied by any private or federal government tenants (including non profits)? If so, are any private or federal government tenant leases expected to continue? NO
- 5) For any private or federal government leases that are expected to continue, please provide the following for EACH tenant:

Business/agency use N /A

Ending date of lease term No leases are anticipated

Terms of any renewal options

Periodic lease payments (monthly) (annually)

Square footage occupied

Intended use of property by the agency

- 6) Any leases that are expected to continue must be assigned to the local agency. Also, for any private tenants, estoppels must be provided, and all security deposits and prepaid rents should be transferred to the agency.
- 7) Does the agency expect to enter into ANY type of management agreements, service contracts or other business arrangements relating to the property with any other parties? NO

Office of the State Treasurer

State of Washington

LOCAL Program

Credit Form

Please provide the following information so the Office of the State Treasurer (OST) can review the agency's application to borrow the funds requested in the Notice of Intent. Remember, it is important that all information be provided. When appropriate, feel free to provide explanatory information.

When OST receives the completed form, you will be notified in writing of acceptance or non-acceptance to borrow through the LOCAL Program.

1) General Information – Please modify as necessary

Mason County is located in the State of Washington in the community of Shelton. The applicant provides governmental services to approximately 52,000 residents living in approximately 961 square miles.

Please provide a brief background on the agency, when it was formed, what changes have occurred in service area and tax base (annexations, mergers, etc.) or changes that have been proposed. Also indicate the form of governance.

Please see the informational pages attached in answer to the above question.- **Exhibit D**

2) Assessed valuation of the agency

Year of tax Collection (include last 5 years)	Total assessed value for regular levy	Reduced assessed value for excess or bond levy
Current year	4,399,486,799	4,552,296,913
2005	4,154,774,356	4,320,116,687
2004	3,987,425,480	4,085,482,608
2003	3,872,258,078	4,019,120,343
2002	3,738,275,857	3,954,903,667
2001	3,589,243,931	3,817,351,618

3) Tax Levy and Rate

Provide the levy rate per \$1,000 assessed to taxpayers, and the dollar amount of regular levy

Year of Tax Collection	Regular Levy Rate per \$1,000	Regular Levy Total \$\$ Levied		Other Levy Rate per \$1,000	Bond Levy Rate per \$1,000
Current Year	1.67043	7,349,032.86			
2005	1.71186	7,112,375.38			
2004	1.72068	6,861,086.80			
2003	1.72091	6,663,811.84			
2002	1.73365	6,480,869.00			
2001	1.67804	6,022,883.00			

4) **Outstanding debt**

Include the following information on all outstanding debt, including bonds, loans or leases, and any short-term obligations including registered warrants, interfund loans or loans from the County Treasurer, if applicable. Also, include any outstanding state loans.

	Debt No. 1	Debt No. 2	Debt No. 3
Description of debt	Limited Tax		
First payment date	12/1/1998		
Last payment date	12/1/2012		
Voted or non-voted	Non-Voted		
Amount originally borrowed	1,810,000.00	0	0
Amount currently outstanding	1,000,000.00	0	0
Annual payments due	172,752-w/vary	0	0
Cash in bond fund, if any	Paid by Real Estate excise tax	0	0
Fund responsible for repayment	General		

Provide information on additional obligations on an attached page.

- 5) Does the applicant have future, additional financing plans? Please discuss anticipated borrowing plans over the next 18 to 24 months. Be sure to discuss any borrowing that is in process, either here or above.
 ___ No ___
- 6) **Special Purpose Districts only:** List facilities and equipment operated by the district, and services provided. If you are a port, PUD or hospital district, briefly discuss the district's service area and competition.
 ___ N/A ___
- 7) Briefly discuss any **service contracts**, including contracts with cities, counties or special purpose districts within the applicant's boundaries, if any.
 ___ N/A ___
- 8) Discuss the applicant's levy rate history. Has the levy rate been reduced because of other taxing district levies? Are you aware of any potential problems with the municipality's levy rates?
 The levy rate has not been reduced because of other taxing district levies. At the present time we are not aware of any problems with the levy rate.
- 9) Discuss any **significant employers or taxpayers** in the area. Are you aware of pending closures or changes in employment or tax base?
 ___ No ___
- 10) **If a special purpose district or county**, does the district or county know of any intentions by cities to annex portions of the district or county? Are there any intentions by residents to de-annex from the district, or dissolve the district? **If a city**, are there any annexations plans that will significantly impact the size and operations of the city?
 ___ No ___
- 11) Insurance – Please modify as appropriate, the following:

The County will insure the financed property in a minimum amount equal to the amount outstanding under the financing contract by means of insurance pool.

12) Litigation – Please accept or modify as appropriate, the following:

There is not now pending or, to the best of knowledge, threatened, any litigation restraining or enjoining the execution of the Local Agency Financing Agreement or the levy and collection of taxes to pay the payments thereunder. The County is party to routine legal proceedings and claims, and the collective impact of these legal proceedings and claims is not likely to have a material impact on revenues of the entity.]

13) List number of employees for past three years. Are employees represented by unions or bargaining groups? If yes, are all contracts in place and are labor relations good or poor?

Total Employees in : 2006 = 376 Full time and 25 permanent Part-Time

2005 = 363 Full time and 32 Part-Time

2004 = 342 Full time and 38 Part-Time

The County has 9 Union Contracts in place and labor relations are good.

14) **Financial Operations** (include as attachment to credit form) **See Exhibit E**

Please attach copies of the Statement of Revenues and Expenditures and Fund Balance Report for the General or Operating Fund, for the past five years. Clearly indicate whether or not each year has been audited. If financial statements are not available for the most recent year, please provide preliminary numbers (and indicate that they are in process of completion). If there was unusual activity in any year (one-time expenditures or revenues), please provide details.

15) **Basis of Accounting:** Modified Accrual

16) **Budget – General/Operating Fund (2 years) (INCLUDE AS ATTACHMENT TO CREDIT FORM)**

Please attach the budget summary for the General or Operating fund for the current and past year. Be sure it includes summary information on revenues and expenditures – do not send the entire budget.

ATTACHED – See Exhibit F

Provide additional information that you think would be helpful in reviewing the applicant's credit for purposes of LOCAL Program qualification.

The information provided above is complete and accurate to the best of my knowledge. I am not aware of any additional information that would affect the Office of the State Treasurer's review of the municipality.

Signed:



Title: Director of Public Works

Date: 7/5/2006

FILE COPY

12) Litigation – Please accept or modify as appropriate, the following:

There is not now pending or, to the best of knowledge, threatened, any litigation restraining or enjoining the execution of the Local Agency Financing Agreement or the levy and collection of taxes to pay the payments thereunder. The County is party to routine legal proceedings and claims, and the collective impact of these legal proceedings and claims is not likely to have a material impact on revenues of the entity.]

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Signed: _____

Title: Director of Public Works

Date: 7/5/2006

**LISTING OF EXHIBITS FOR LOCAL OPTION CAPITAL ASSET LENDING
NOTICE OF INTENT FORM**

**EXHIBIT A Standard & Poors Bond Rating Letter
 Other Information section / page #1**

EXHIBIT B Statutory Warranty Deed

Required Information and Documentation section question #1 / page #3

EXHIBIT C Title Report
Required Information and Documentation section question #2 / page #3

EXHIBIT D Mason County Background Information
Credit Form section question #1 / page #5

EXHIBIT E Statements of Revenue, Expenditures, and Changes in Fund Balance
Credit Form section question #14 / page 7

EXHIBIT F Annual Budget for 2 years
Credit Form section question #16 / page 7

LOCAL AGENCY SITE LEASE, SERIES 2007F

THIS LOCAL AGENCY SITE LEASE, SERIES 2007F (the "Site Lease"), dated as of October 2, 2007 (the "Dated Date"), is entered into by and between Mason County, a County duly organized and existing under and by virtue of the laws of the state of Washington (the "Local Agency"), and the Washington Finance Officers Association, a nonprofit corporation duly organized and existing under and by virtue of the laws of the state of Washington (the "Corporation").

RECITALS:

WHEREAS, the state of Washington (the "State"), acting by and through the State Treasurer (the "State Treasurer") is authorized to enter into financing contracts, including but not limited to financing leases, for and on behalf of certain local government agencies (as provided therein, "Local Agencies") and state agencies (as defined therein, "State Agencies") for the use and acquisition of real and personal property pursuant to Chapter 356, Laws of Washington, 1989, codified as Chapter 39.94 of the Revised Code of Washington, as supplemented and amended, (the "Act"), including but not limited to by Chapter 291, Laws of Washington, 1998; and

WHEREAS, the State Treasurer has established a consolidated program providing for the execution and delivery of certificates of participation in such financing contracts, or in master financing contracts with respect thereto, in series from time to time in order to provide financing or refinancing for the costs of acquisition and/or improvement of such real and personal property by Local Agencies and State Agencies; and

WHEREAS, the Corporation and the Local Agency have determined that it is necessary and desirable to enter into this Site Lease to provide financing or refinancing for the acquisition or improvement (the "Project") of certain real property described in Exhibit A hereto (the "Site"), by the Local Agency; and

WHEREAS, the Local Agency is duly authorized to enter into this Site Lease pursuant to the laws of the State and a duly adopted resolution or ordinance of its legislative body; and

WHEREAS, simultaneously with the execution and delivery hereof, the State is entering into a Master Financing Lease, Series 2007F, dated as of the Dated Date (the "Master Financing Lease"), with the Corporation, which shall constitute a "financing lease," a "financing contract" and a "master financing contract" within the meaning of the Act, to provide financing for the costs of acquisition or improvement of certain parcels of real property for and on behalf of certain State Agencies and Local Agencies, including the Local Agency, under the terms set forth therein; and

WHEREAS, under and pursuant to the Master Financing Lease, the State Treasurer is obligated to make Base Rent Payments (as defined in Appendix I hereto) to the Corporation for the lease of the parcels of real property described in Exhibit B thereto; and

WHEREAS, simultaneously with the execution and delivery of the Master Financing Lease, the State shall sublease the Site and the Project (collectively, the "Property") to the Local Agency pursuant to a Local Agency Financing Lease, Series [Dated Date], dated as of the Dated Date (the "Local Agency Financing Lease"); and

WHEREAS, the Corporation intends to grant, sell, assign, transfer and convey without recourse to the Fiscal Agent all of its rights to receive the Base Rent Payments scheduled to be made by the State Treasurer under and pursuant to the Master Financing Lease, together with all of its remaining right, title and interest in, to and under this Site Lease, the Master Financing Lease and the Property by means of a Master Assignment, Series 2007F (The "Master Assignment"), dated as of the Dated Date; and

WHEREAS, in consideration of such assignment and pursuant to the Trust Agreement, Series 2007F (the "Trust Agreement"), dated as of the Dated Date, by and among the Fiscal Agent, the State Treasurer and the Corporation, the Fiscal Agent has agreed to execute and deliver the State of Washington Certificates of Participation, Series 2007F, in an aggregate principal amount of \$ 15,000,000.00 (the "Certificates"); and

WHEREAS, a portion of the proceeds of the sale of the Certificates shall be used to finance or refinance the costs of the Project; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute, deliver and perform their respective obligations under this Site Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties hereto do hereby agree as follows:

SECTION 1. Definitions; Construction; Miscellaneous Provisions; Supplements.

Capitalized terms used but not otherwise defined in this Site Lease shall have the respective meanings given such terms in Part 1 of Appendix I, which is incorporated herein and made a part hereof by this reference. This Site Lease shall be construed in accordance with the Rules of Construction set forth in Part 2 of Appendix I, which is incorporated herein and made a part hereof by this reference. The miscellaneous provisions set forth in Part 3 of Appendix I are incorporated herein and made a part hereof by this reference. This Site Lease may be supplemented and amended from time to time in accordance with Part 4 of Appendix I, which is incorporated herein and made a part hereof by this reference.

SECTION 2. Lease of the Site; Ownership.

(a) The Local Agency hereby leases to the Corporation and the Corporation hereby hires from the Local Agency, on the terms and conditions hereinafter set forth, the real property and all improvements thereon situated in Mason County, State of Washington, and described in Exhibit A attached hereto and made a part hereof (collectively, the "Site"), subject to all easements, covenants, conditions and restrictions existing as of the date hereof.

(b) The Local Agency hereby represents and warrants that it is the owner in fee of the Site, subject only to Permitted Encumbrances.

SECTION 3. Term.

The term of this Site Lease shall commence on the Dated Date, and shall end on October 2, 2027, unless such term is extended or sooner terminated as hereinafter provided. If on such date, the Local Agency Financing Lease shall not be discharged by its terms, then the term of this Site Lease shall be extended until ten (10) days after all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, except that the term of this Site Lease shall in no event be extended beyond October 2, 2027. If prior to October 2, 2027, all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, the term of this Site Lease shall end ten (10) days thereafter or ten (10) days after written notice by the Local Agency to the Corporation, whichever is earlier.

SECTION 4. Rental.

The Corporation shall pay to State Treasurer, for the benefit of the Local Agency pursuant to the Master Financing Lease and the Local Agency Financing Lease, as and for the total rental due hereunder, the amount set forth in Exhibit B hereto (the "Prepaid Site Lease Rent"), all of which prepaid rental shall be payable on the Closing Date. The Parties hereto hereby agree that said amount represents fair consideration for the leasehold interest being transferred hereunder, given the purposes, terms and provisions hereof. The Corporation shall not be obligated to pay such rental other than from the proceeds of the Certificates. Anything herein to the contrary notwithstanding, the Corporation hereby waives any right that it may have under the laws of the State to a rebate or repayment of any portion of such rental in the event that there is substantial interference with the use or right to possession by the Corporation of the Site or any portion thereof as a result of material damage, destruction or condemnation.

SECTION 5. Purpose.

The Corporation shall use the Site solely for the purpose of leasing the Property to the State pursuant to the Master Financing Lease and for such purposes as may be incidental thereto; *provided*, that in the event of a default by the State under the Master Financing Lease or by the Local Agency under the Local Agency Financing Lease, the Corporation may exercise the remedies provided therein.

SECTION 6. Assignments and Subleases.

(a) The Corporation shall not grant, sell, assign, mortgage, pledge, sublet or transfer any of its right, title or interest in, to or under this Site Lease or the Site except as expressly provided in the Master Assignment, the Master Financing Lease and the Local Agency Financing Lease, without the prior written consent of the Local Agency. The Local Agency hereby consents to the sublease of the Property pursuant to the Master Financing Lease, and the assignment of the Corporation's right, title and interest hereunder to the Fiscal Agent pursuant to the Master Assignment for the benefit of the Owners of the Certificates.

(b) Upon the occurrence of the continuance of an Event of Default or Age of the Property, the Corporation shall have the right, pursuant to the Master Assignment, the Trust Agreement and the Master Financing Lease, to sublease all or any portion of the Property; *provided*, that the subtenant and the terms and provisions of the sublease shall be subject to the prior written approval of the Local Agency, which approval shall not be unreasonably withheld or delayed.

SECTION 7. Right of Entry.

The Local Agency reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time (or in an emergency at any time) to inspect the same, or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination or expiration of this Site Lease, to quit and surrender the Site in the same good order, condition and repair as the same was in at the time of commencement of the term hereunder, except for acts of God, reasonable wear and tear, and any actions by the Local Agency that affect the condition of the Site. The Corporation agrees that any permanent improvements and structures existing upon the Site at the time of such termination or expiration of this Site Lease shall remain thereon and title thereto shall vest in the Local Agency. The Corporation shall thereafter execute, acknowledge and deliver to the Local Agency such instruments of further assurance as in the reasonable opinion of the Local Agency are necessary or desirable to confirm the Local Agency's right, title and interest in and to the Site.

SECTION 9. Default.

In the event that the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for sixty (60) days following notice and demand for correction thereof to the Corporation, the Local Agency may exercise any and all remedies granted by law, except that as described in Section (k) of Part 3 of Appendix I hereto, no merger of this Site Lease shall be deemed to occur as a result thereof; *provided, however*, that the Local Agency shall have no power to terminate this Site Lease by reason of any default on the part of the Corporation; and *provided further*, that so long as any Certificates are outstanding and unpaid in accordance with the terms of the Trust Agreement and the Master Financing Lease, the Base Rent Payments or Additional Rent or any part thereof payable to the Corporation shall continue to be paid to the Corporation. So long as the Fiscal Agent shall duly perform the terms and conditions of this Site Lease, the Master Assignment, the Master Financing Lease and of the Trust Agreement, the Fiscal Agent shall be deemed to be and shall become the tenant of the Local Agency hereunder and shall be entitled to all of the rights and privileges granted hereunder and under the Master Assignment, the Master Financing Lease and the Trust Agreement.

SECTION 10. Waiver.

No delay or omission to exercise any right or remedy accruing upon a default hereunder shall impair any such right or remedy or shall be construed to be a waiver of such default, but any such right or remedy may be exercised from time to time and as often as may be deemed necessary or expedient. In order to exercise any remedy reserved to the Local Agency hereunder, it shall not be necessary to give any notice, other than such notice as may be required hereunder. A waiver by the Local Agency of any default hereunder shall not constitute a waiver of any subsequent default hereunder, and shall not affect or impair the rights or remedies of the Local Agency in connection with any such subsequent default.

SECTION 11. Quiet Enjoyment.

The Corporation and its authorized assignees and sublessees at all times during the term of this Site Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Site without suit, trouble or hindrance from the Local Agency.

SECTION 12. Taxes.

The Local Agency covenants and agrees to pay any and all Impositions of any kind or character, including but not limited to possessory interest taxes, levied or assessed upon the Property (including both land and improvements), or with respect to this Site Lease, the Local Agency Financing Lease, or the lease of the Property pursuant to the Master Financing Lease; *provided, however*, that the Local Agency shall not pay any possessory interest taxes levied as a result of any assignment or sublease of or with respect to all or any part of the Property then in effect between the Corporation and any assignee or subtenant of the Corporation (other than as lessee under the Local Agency Financing Lease).

SECTION 13. Eminent Doma. Loss of Title.

In the event the whole or any part of the Property is taken permanently or temporarily under the power of eminent domain (or sold under threat of condemnation), or there is a loss of title to the whole or any part of the Property, the interest of the Corporation in the Property shall be recognized and is hereby determined to be an amount not less than the then unpaid indebtedness incurred by the Local Agency under its Local Agency Financing Lease. The term "unpaid indebtedness," as used in the preceding sentence, includes all unpaid Agency Principal Components, Agency Interest Components and all other payments required to be made by the Local Agency pursuant to the Local Agency Financing Lease, until all Agency Rent Payments due thereunder have been paid or the payment thereof provided for in accordance therewith. The amount of any such award, judgment or payment shall be paid to the Corporation, and the balance, if any, in excess of the unpaid indebtedness shall be paid to the Local Agency.

IN WITNESS WHEREOF, the Local Agency and the Corporation have caused this Site Lease to be executed in their respective names by their respective duly authorized officers, all as of the day and year first written above.

MASON COUNTY, as lessor

By _____
Authorized Agency Representative

WASHINGTON FINANCE OFFICERS ASSOCIATION, as lessee

By _____
President

LOCAL AGENCY FINANCING LEASE, SERIES 2007F

This Local Agency Financing Lease, Series 2007F (the "Financing Lease") is entered into by and between the state of Washington (the "State"), acting by and through the State Treasurer (the "State Treasurer"), and Mason County, a County of the State (the "Local Agency").

RECITALS

WHEREAS, the State, acting by and through the State Treasurer, is authorized to enter into financing contracts, including, but not limited to financing leases, for and on behalf of certain state agencies and local government agencies, including the Local Agency, for the use and acquisition of real and personal property pursuant to Chapter 356, Laws of Washington, 1989, codified as Chapter 39.94 of the Revised Code of Washington (the "RCW"), as supplemented and amended, (the "Act"), including but not limited to by Chapter 291, Laws of Washington, 1998; and

WHEREAS, the State Treasurer has established a consolidated program providing for the execution and delivery of certificates of participation in such financing contracts, or in master financing contracts with respect thereto, in series from time to time in order to provide financing or refinancing for the costs of acquisition or improvement of such real and personal property by State Agencies and Local Agencies; and

WHEREAS, the Washington Finance Officers Association (the "Corporation"), a nonprofit corporation duly organized and existing under and by virtue of the laws of the state of Washington, and the Local Agency have entered into a Local Agency Site Lease, Series 2007F, dated as of the Dated Date (the "Site Lease"), for the lease of certain real property, designated in the Site Lease, (the "Site") for the sole purpose of subleasing the Site to the State in order to finance or refinance the acquisition or improvement thereof as described herein (the "Project"); and

WHEREAS, simultaneously with the execution and delivery hereof, the State is entering into a Master Financing Lease, Series 2007F, dated as of the Dated Date (the "Master Financing Lease") with the Corporation, to provide financing or refinancing for the Projects for and on behalf of the Local Agency, among others, through the sublease of the Property from the Corporation; and

WHEREAS, the State Treasurer and the Local Agency have determined that it is necessary and desirable to enter into this Financing Lease to provide financing or refinancing for the Project to the Local Agency; and

WHEREAS, the State Finance Committee has authorized the execution and delivery of this Financing Lease pursuant to Resolution No. 987 adopted on October 7, 2003; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Financing Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute, deliver and perform their respective obligations under this Financing Lease;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties hereto mutually agree as follows:

Section 1.1 Defined Terms. Capitalized terms used but not otherwise defined in this Financing Lease shall have the respective meanings given such terms in Appendix I hereto.

Section 1.2 Notice of Intent; Certificate Designating Authorized Agency Representative; Appendix II. The Local Agency has delivered a Notice of Intent to the State Treasurer in the form of Exhibit A attached hereto and incorporated herein by this reference. The Local Agency has delivered a Certificate Designating Authorized Agency Representatives to the State Treasurer in the form of Exhibit B attached hereto and incorporated herein by this reference. Said Certificate is currently in force and has not been amended, withdrawn or superseded, and the signatures shown thereon are true and correct originals of the signatures of the persons who hold the titles shown opposite their names. The signature of any one of the individuals shown on said Certificate is sufficient to bind the Local Agency under this Financing Lease with respect to any of the undertakings contemplated herein. The terms and provisions set forth in Appendix II hereto are incorporated herein and made a part hereof by this reference.

Section 1.3 Sublease of Property. The State hereby subleases to the Local Agency, and the Local Agency hereby hires from the State, upon the terms and conditions set forth in this Financing Lease, the real property and all improvements thereon, including, but not limited to the Project, described in Exhibit C attached hereto and made a part hereof (collectively, the "Property"), subject to all easements, covenants, conditions and restrictions existing as of the date hereof. The Local Agency hereby agrees to pay in consideration thereof the Agency Rent Payments and Additional Rent therefor in accordance with Section 1.4 hereof and all other amounts required to be paid by the Local Agency hereunder, all in accordance with the provisions of this Financing Lease.

Section 1.4 Agency Rent Payments. In consideration of the sublease of the Property and the covenants and agreements of the State in this Financing Lease, the Local Agency hereby promises to pay to the State the following amounts at the following times: (a) On each Agency Rent Payment Date, the Agency Rent Payment set forth in Exhibit D hereto, consisting of an Agency Principal Component and/or an Agency Interest Component as set forth in such Exhibit; and (b) All Additional Rent incurred by the State in connection with the sublease of the Property to the Local Agency, the execution and delivery of the Certificates, and the observance and performance of the Series 2007 Agreements, within 30 days following receipt of an invoice from the State with respect thereto which includes (i) a brief description of each item of such Additional Rent, (ii) the party to whom payment is due, (iii) the amount thereof, and (iv) such additional information as the Local Agency may reasonably request.

Section 1.5 Term. The term of this Financing Lease shall commence on the Dated Date, and shall end on October 2, 2027, unless such term is extended or sooner terminated as hereinafter provided.

STATE OF WASHINGTON
OFFICE OF THE STATE TREASURER

By _____
Designated State Treasurer Representative

MASON COUNTY
as Local Agency

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

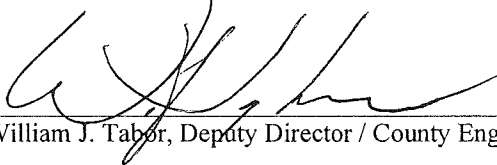
Date: October 2, 2007

Certificate Designating Authorized Agency Representatives

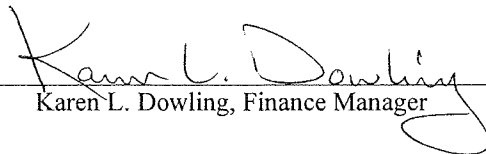
I, Lynda Ring Erickson, Chair of the Board of County Commissioners of Mason County (the "Local Agency"), hereby certify that, as of the date hereof, pursuant to Resolution No. 107-07, the following individuals are each an "Authorized Agency Representative," as indicated by the title appended to each signature; that the following individuals are duly authorized to execute and deliver the Agency Financing Agreement to which this Certificate is attached as Exhibit B (Real Property), and all documentation in connection therewith; that the signatures set forth below are the true and genuine signatures of said Authorized Agency Representatives; and that pursuant to such resolution, one of the three following signatures is required on each of the aforementioned documents in order to consider such documents executed on behalf of the Local Agency:



Charles Butros, Director of Public Works

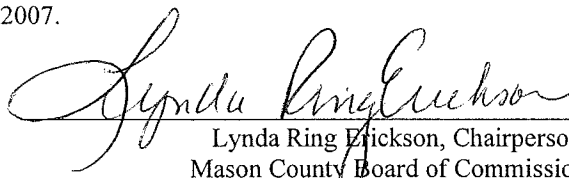


William J. Tabor, Deputy Director / County Engineer



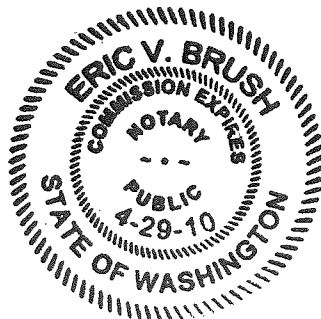
Karen L. Dowling, Finance Manager


Dated this 18th day of September 2007.



Lynda Ring Erickson, Chairperson
Mason County Board of Commissioners

SUBSCRIBED AND SWORN TO before me this 18th day of September 2007



By: 
NOTARY PUBLIC in and for the
State of Washington, residing at:
MONTESANO
Printed Name: ERIC V. BRUSH
My Commission Expires: 4-29-10

Certificate of Authorizing Resolution/Ordinance

I, the undersigned, Clerk/Secretary of the Board of Mason County (the "Local Agency"), DO
HEREBY CERTIFY:

1. That the attached Resolution/Ordinance No. 107-07 (herein called the
"Resolution/Ordinance") is a true and correct copy of a Resolution/Ordinance of the Local Agency
adopted/passed at a regular/special meeting of the Board of County Commissioners held on the 18th day of
September, 2007, and duly recorded in my office;
2. That said meeting was duly convened and held in all respects in accordance with law; and to
the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board of
County Commissioners was present throughout the meeting and a legally sufficient number of members of
the Board of County Commissioners voted in the proper manner for the adoption/passage of the
Resolution/Ordinance;
3. That all other requirements and proceedings incident to the proper adoption/passage of the
Resolution/Ordinance have been duly fulfilled, carried out and otherwise observed;
4. That the Resolution/Ordinance remains in full force and effect and has not been amended,
repealed or superseded; and
5. That I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 18th day of September 2007.

Rebecca S. Rogers
REBECCA S. ROGERS, Clerk of the Board

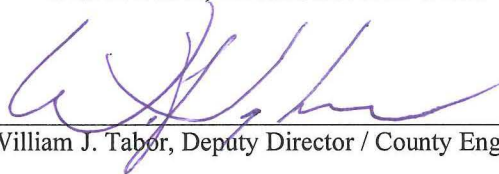


Certificate Designating Authorized Agency Representatives

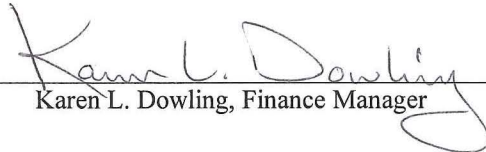
I, Lynda Ring Erickson, Chair of the Board of County Commissioners of Mason County (the "Local Agency"), hereby certify that, as of the date hereof, pursuant to Resolution No. 107-07, the following individuals are each an "Authorized Agency Representative," as indicated by the title appended to each signature; that the following individuals are duly authorized to execute and deliver the Agency Financing Agreement to which this Certificate is attached as Exhibit B (Real Property), and all documentation in connection therewith; that the signatures set forth below are the true and genuine signatures of said Authorized Agency Representatives; and that pursuant to such resolution, one of the three following signatures is required on each of the aforementioned documents in order to consider such documents executed on behalf of the Local Agency:



Charles Butros, Director of Public Works

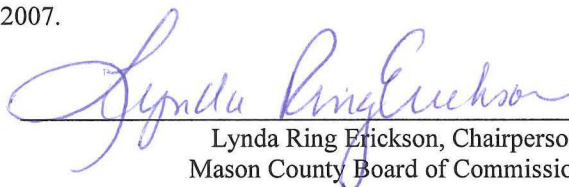


William J. Tabor, Deputy Director / County Engineer



Karen L. Dowling, Finance Manager


Dated this 18th day of September 2007.



Lynda Ring Erickson, Chairperson
Mason County Board of Commissioners

SUBSCRIBED AND SWORN TO before me this 18th day of September 2007



By: 
NOTARY PUBLIC in and for the
State of Washington, residing at:

MONTESANO
Printed Name: ERIC V. BRUSH
My Commission Expires: 4-29-10