

SNOQUALMIE PASS FIRE & RESCUE  
KING AND KITTITAS COUNTIES, WASHINGTON

RESOLUTION NO. 2020-18

A RESOLUTION of the Board of Fire Commissioners of Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington, relating to contracting indebtedness; providing for the issuance, sale, and delivery of limited tax general obligation bonds to provide funds to purchase a new aid car and fire service equipment, to refund certain outstanding limited tax general obligation bonds to achieve a debt service savings, and to pay the costs of issuance and sale of the bonds; providing for the issuance, sale, and delivery of unlimited tax general obligation bonds to provide funds to refund certain outstanding unlimited tax general obligation bonds to achieve a debt service savings and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Adopted September 16, 2020

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\* The cover page, table of contents, and section headings of this resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this resolution.

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A RESOLUTION of the Board of Fire Commissioners of Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington, relating to contracting indebtedness; providing for the issuance, sale, and delivery of limited tax general obligation bonds to provide funds to purchase a new aid car and fire service equipment, to refund certain outstanding limited tax general obligation bonds to achieve a debt service savings, and to pay the costs of issuance and sale of the bonds; providing for the issuance, sale, and delivery of unlimited tax general obligation bonds to provide funds to refund certain outstanding unlimited tax general obligation bonds to achieve a debt service savings and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF SNOQUALMIE PASS FIRE & RESCUE, KING AND KITTITAS COUNTIES, WASHINGTON, as follows:

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

(a) *"2007 UTGO Bond Resolution"* means Resolution No. 12-18-07-01 adopted by the board of fire commissioners of Former District 8 on December 18, 2007.

(b) *"2007 UTGO Bonds"* means the Unlimited Tax General Obligation Bonds, 2007, issued by Former District 8, authorized by and issued for the purposes provided in the 2007 UTGO Bond Resolution, in the original aggregate principal amount of \$475,000, of which \$295,000 remains outstanding.

(c) *"2007 UTGO Refunding Bonds"* means the UTGO Bonds issued to refund the outstanding 2007 UTGO Bonds.

(d) *"2010 LTGO Bond Resolution"* means Resolution No. 2010-20 adopted by the Board on December 17, 2010.

(e) *"2010 LTGO Bonds"* means the Limited Tax General Obligation Bonds, 2010, issued by the District, authorized by and issued for the purposes provided in the 2010 LTGO Bond Resolution, in the original aggregate principal amount of \$1,035,000, of which \$785,000 remains outstanding.

(f) *"2010 UTGO Bond Resolution"* means Resolution No. 2010-19 adopted by the Board on December 17, 2010.

(g) *"2010 UTGO Bonds"* means the Unlimited Tax General Obligation Bonds, 2010, issued by the District, authorized by and issued for the purposes provided in the 2010 UTGO Bond Resolution, in the original aggregate principal amount of \$845,000, of which \$595,000 remains outstanding.

(h) *"2010 UTGO Refunding Bonds"* means the UTGO Bonds issued to refund the outstanding 2010 UTGO Bonds.

(i) *"Acquired Obligations"* means the United States Treasury Certificates of Indebtedness, Notes, and Bonds—State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to carry out the Refunding Plan.

(j) *"Authorized Denomination"* means \$5,000 or any integral multiple thereof within a maturity of a Series.

(k) *"Beneficial Owner"* means, with respect to a Bond, the owner of any beneficial interest in the Bond.

(l) *"Board"* means the board of fire commissioners of the District, as duly and regularly constituted from time to time.

(m) *"Bond"* means, without distinction, an LTGO Bond or a UTGO Bond.

(n) *"Bond Counsel"* means the firm of Foster Garvey PC, its successor, or any other attorney or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

(o) *"Bond Fund"* means the General Obligation Bond Fund of the District maintained in the office of the Treasurer pursuant to RCW 52.16.020.

(p) *"Bond Purchase Agreement"* means, with respect to a Series, the offer of the Purchaser to purchase the Series, setting forth certain terms and conditions of the issuance, sale, and delivery of the Series, which offer is authorized to be accepted by the Designated Representative on behalf of the District, if consistent with this resolution.

(q) *"Bond Register"* means the books or records maintained by the Registrar for the purpose of identifying ownership of each Bond.

(r) *"Code"* means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(s) *"Designated Representative"* means the officer of the District appointed in Section 4 to serve as the designated representative of the District in accordance with RCW 39.46.040.

(t) "*District*" means Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington, a municipal corporation duly organized and existing under the laws of the State.

(u) "*DTC*" means The Depository Trust Company, New York, New York, or its nominee.

(v) "*Final Terms*" means the terms and conditions for the sale of each Series, including the principal amount, dates, denominations, interest rates, payment dates, final maturity dates, redemption rights, prices, and other terms or covenants, including minimum savings.

(w) "*Fiscal Agent*" means the fiscal agent of the State, as the same may be designated by the State Finance Committee from time to time.

(x) "*Former District 8*" means former Fire Protection District No. 8, Kittitas County, Washington, which merged into the District effective January 1, 2018.

(y) "*Government Obligations*" means direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

(z) "*Issue Date*" means the date of initial issuance and delivery of the Bonds to the Purchaser in exchange for the purchase price of the Bonds.

(aa) "*Letter of Representations*" means the Blanket Issuer Letter of Representations between the District and DTC, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(bb) "*LTGO Bond*" means each limited tax general obligation bond issued pursuant to and for the purposes provided in this resolution.

(cc) "*LTGO Bond Account*" means the account in the Bond Fund established for paying debt service on limited tax general obligation bonds of the District.

(dd) "*LTGO Construction Fund*" means the fund designated or created by the Treasurer for the purpose of carrying out the Project.

(ee) "*Official Statement*" means each offering document, disclosure document, private placement memorandum, or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of the Bonds.

(ff) "*Owner*" means, without distinction, the Registered Owner and the Beneficial Owner.

(gg) "*Project*" means the purchase of a new aid car and fire service equipment, as deemed necessary and advisable by the District. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project.

(hh) "*Project Bonds*" means the LTGO Bonds issued for the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of such LTGO Bonds.

(ii) "*Purchaser*" means Martin Nelson & Co., Inc., Seattle, Washington.

(jj) "*Rating Agency*" means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the District.

(kk) "*Record Date*" means the Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, "Record Date" means the Registrar's close of business on the date on which the Registrar sends the notice of redemption in accordance with Section 9.

(ll) "*Redemption Date*" means, (1) with respect to the 2007 UTGO Bonds, the date specified as such by the Designated Representative in the Refunding Trust Agreement that is not fewer than 30 after the Issue Date, and (2) with respect to the 2010 LTGO Bonds and the 2010 UTGO Bonds, December 1, 2020.

(mm) "*Refunded Bond Resolutions*" means the 2007 UTGO Bond Resolution, the 2010 LTGO Bond Resolution, and the 2010 UTGO Bond Resolution.

(nn) "*Refunded Bonds*" means all of the outstanding 2007 UTGO Bonds, 2010 LTGO Bonds, and 2010 UTGO Bonds.

(oo) "*Refunding Bonds*" means the Bonds issued for the purpose of providing the funds necessary to carry out the Refunding Plan.

(pp) "*Refunding Plan*" means (as further described in the Refunding Trust Agreement):

(1) the deposit with the Refunding Trustee of proceeds of the Refunding Bonds (together with other money of the District, if necessary);

(2) the purchase by the Refunding Trustee of the Acquired Obligations and the application of the principal of and interest on the Acquired Obligations (and any other cash balance) to the call, payment, and redemption of the Refunded Bonds on their respective Redemption Dates at a price equal to the principal amount of the Refunded Bonds plus accrued interest; and

(3) the payment of the costs of issuing the Refunding Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

(qq) "*Refunding Trust Agreement*" means a refunding trust or escrow agreement between the District and the Refunding Trustee, dated the Issue Date, providing for carrying out of the Refunding Plan.

(rr) "*Refunding Trustee*" means U.S. Bank National Association, serving as refunding trustee or escrow agent, or any successor trustee or escrow agent.

(ss) "*Registered Owner*" means, with respect to a Bond, the person in whose name the Bond is registered on the Bond Register. For so long as the District utilizes the book-entry only system for the Bonds under the Letter of Representations, "Registered Owner" means the Securities Depository.

(tt) "*Registrar*" means the Fiscal Agent or any successor registrar for the Bonds selected by the Treasurer.

(uu) "*Securities Depository*" means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(vv) "*Series*" means a series of the Bonds issued pursuant to this resolution.

(ww) "*State*" means the State of Washington.

(xx) "*System of Registration*" means the system of registration for the District's bonds and other obligations set forth in Resolution No. 2010-18 of the District.

(yy) "*Term Bond*" means each Bond, if any, designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in Exhibit A.

(zz) "*Treasurer*" means the Kittitas County Treasurer, *ex officio* treasurer of the District.

(aaa) "*UTGO Bond*" means each unlimited tax general obligation bond issued pursuant to and for the purposes provided in this resolution.

(bbb) "*UTGO Bond Account*" means the account in the Bond Fund established for paying debt service on unlimited tax general obligation bonds of the District.

Section 2. Findings and Determinations. The District takes note of the following facts and makes the following findings and determinations:

(a) *Plan of Financing.* Pursuant to applicable law, including chapters 39.36, 39.44, 39.46, 39.53, and 52.16 RCW, the District is authorized to issue general obligation bonds for the purpose of carrying out the Project and the Refunding Plan.

(b) *Debt Capacity.*

(1) The assessed valuation of the taxable property within the District as ascertained by the last preceding assessment for District purposes for collection in the calendar year 2020 is \$91,308,773 for King County and \$425,295,088 for Kittitas County.

(2) The District has limited tax general obligation indebtedness, consisting of bonds outstanding in the principal amount of \$785,000, which was incurred within the limit of up to 0.375% of the value of the taxable property within the District permitted without a vote (\$1,937,264).

(3) The District has unlimited tax general obligation indebtedness for capital purposes only outstanding in the principal amount of \$890,000. The indebtedness described in this paragraph has been incurred with the approval of the requisite proportion of qualified voters at elections meeting the minimum turnout requirements, within the limit of up to 0.75% of the value of the taxable property within the District, when combined with the outstanding limited tax general obligation indebtedness (\$3,874,528).

(c) *The Project.* The District is in need of the Project and is authorized pursuant to applicable law, including RCW 52.12.031, to carry out the Project. The Board finds that it is in the best interests of the District to carry out the Project.

(d) *The Refunding Plan.* The Board finds that it is in the best interests of the District and its taxpayers to issue the Refunding Bonds to carry out the Refunding Plan if, in the determination of the Designated Representative, a savings will be effected by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of the Refunded Bonds but for carrying out the Refunding Plan. The Board further finds that a Refunding Plan approved by the Designated Representative in accordance with this resolution will discharge and satisfy the obligations, pledges, charges, trusts, covenants, and agreements of the District under the Refunded Bond Resolutions as to the Refunded Bonds, and that the Refunded Bonds will no longer be deemed to be outstanding immediately upon the deposit of the money specified in the Refunding Plan with the Refunding Trustee.

(e) *Effect of Merger and Refunding Plan.*

(1) Former District 8 merged into the District effective January 1, 2018. Pursuant to RCW 52.06.070: (A) none of the obligations of merged districts may be affected by the merger and dissolution; (B) all land liable to be assessed to pay any of the indebtedness must remain liable to the same extent as if the districts had not been merged; (C) commissioners of the merged district have all the powers of the two districts to levy, assess, and cause to be collected all assessments against any land in both districts that may be necessary to pay for the indebtedness thereof; and (D) until all indebtedness of the districts is paid, separate funds must be maintained for each district as were maintained before the merger.

(2) Pursuant to RCW 84.52.056, any taxing district has the right by vote of its governing body to refund any general obligation bonds of the district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual excess levies.

(3) The District may issue the UTGO Bonds to refund general obligation bonds of the District issued for capital purposes only (namely, the outstanding 2007 UTGO Bonds and 2010 UTGO Bonds), and upon the issuance of the Refunding Bonds: (A) the District may provide for the payment of the principal of and interest on the 2007 UTGO Refunding

Bonds by taxes levied against all taxable property in Former District 8 without limitation as to rate or amount; and (B) the District may provide for the payment of the principal of and interest on the 2010 UTGO Refunding Bonds by taxes levied against all taxable property in the District other than property in Former District 8 without limitation as to rate or amount.

(f) *The Bonds.* For the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of the Project Bonds, the Board finds that it is in the best interests of the District and its taxpayers to issue and sell the Project Bonds to the Purchaser pursuant to the terms set forth in the Bond Purchase Agreement as approved by the Designated Representative. For the purpose of providing the funds necessary to carry out the Refunding Plan, the Board finds that it is in the best interests of the District and its taxpayers to issue and sell the Refunding Bonds to the Purchaser pursuant to the terms set forth in each Bond Purchase Agreement as approved by the Designated Representative.

Section 3. Authorization of Bonds. For the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of the Project Bonds, the Board authorizes the issuance and sale of the Project Bonds to the Purchaser pursuant to the terms set forth in the Bond Purchase Agreement as approved by the Designated Representative consistent with this resolution. For the purpose of providing the funds necessary to carry out the Refunding Plan, the Board authorizes the issuance and sale of the Refunding Bonds to the Purchaser pursuant to the terms set forth in each Bond Purchase Agreement as approved by the Designated Representative consistent with this resolution.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Fire Chief of the District and each member of the Board of Fire Commissioners is each individually appointed as the Designated Representative of the District, and each is individually authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the District, and to approve the Final Terms of each Series, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 5. Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Registrar; Duties.* The Fiscal Agent is appointed as initial Registrar. The Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the District at all times. The Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds, and to carry out all of the Registrar's powers and duties under this resolution and the System of Registration. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on each Bond. The Registrar may become an Owner with the same rights it would have if it were not the Registrar and, to the

extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, maturity, and interest rate. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the redemption date.

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry only form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository or (ii) the District terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the District nor the Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Registrar shall be responsible for any notice that is permitted or required to be given to the Registered Owner of a Bond registered in the name of the Securities Depository except such notice as is required to be given by the Registrar to the Securities Depository.

(e) *Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, the District approves the Letter of Representations. The Designated Representative is authorized and directed to execute the Letter of Representations, on behalf of the District, and to deliver it to DTC on or before the Issue Date.

#### Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this resolution and State law. Each Bond shall be signed by the Chairman of the Board and the Secretary to the Board, either or both of whose signatures may be

manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the District authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Registrar, or issued or delivered by the District, the Bond nevertheless may be authenticated, issued, and delivered and, when authenticated, issued, and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign bonds. Any Bond also may be signed on behalf of the District by any person who, on the actual date of signing of the Bond, is an officer of the District authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is one of the fully registered Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington, [Limited]/[Unlimited] Tax General Obligation [Improvement and] Refunding Bonds, 2020, described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this resolution.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository are payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. The District is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Application of Proceeds; Refunding Plan.

(a) *Bond Fund.* The Bond Fund, the LTGO Bond Account, and the UTGO Bond Account have been previously created as special funds or accounts of the District for the purpose of paying principal of and interest on the Bonds and other general obligation bonds of the District. Project Bond proceeds in excess of the amount needed to pay the costs of the Project and the costs of issuance and sale of the Project Bonds shall be deposited into the LTGO Bond Account. All amounts allocated to the payment of the principal of and interest on the LTGO Bonds shall be deposited in the LTGO Bond Account as necessary for the timely payment of amounts due with respect to the LTGO Bonds, and all amounts allocated to the payment of the principal of and interest on the UTGO Bonds shall be deposited in the UTGO Bond Account as necessary for the timely payment of amounts due with respect to the UTGO Bonds. The principal of and interest on the LTGO Bonds shall be paid out of the LTGO Bond Account, and the principal of and interest on the UTGO Bonds shall be paid out of the UTGO Bond Account. Until needed for that purpose, the District may invest money in the Bond Fund temporarily in

any legal investment, and the investment earnings shall be retained in the applicable account of the Bond Fund and used for the purposes of that account.

(b) *LTGO Construction Fund.* The LTGO Construction Fund has been previously created as an account of the District for the purpose of paying the costs of the Project. Proceeds received from the sale and delivery of the Project Bonds shall be deposited into the LTGO Construction Fund and used to pay the costs of the Project and costs of issuance and sale of the Project Bonds. If so provided in the Refunding Trust Agreement, proceeds received from the sale and delivery of the Project Bonds allocated to pay the costs of issuance and sale of the Project Bonds may be deposited with the Refunding Trustee and applied to that purpose. Until needed to pay such costs, the District may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the LTGO Construction Fund and used for the purposes of that fund.

(c) *Appointment of Refunding Trustee.* U.S. Bank National Association is appointed Refunding Trustee.

(d) *Application of Refunding Bond Proceeds; Acquisition of Acquired Obligations.*

(1) On the Issue Date, proceeds of the sale of the Refunding Bonds shall be deposited with the Fiscal Agent, as registrar for the 2010 LTGO Bonds and the 2010 UTGO Bonds, and used to discharge the obligations of the District relating to the outstanding 2010 LTGO Bonds and 2010 UTGO Bonds by carrying out the Refunding Plan in accordance with this resolution. Such obligations shall be discharged fully by the deposit of proceeds of the sale of the Refunding Bonds sufficient to provide, together with other money of the District, if necessary, for the payment of the amounts required to be paid by the Refunding Plan with respect to the outstanding 2010 LTGO Bonds and the 2010 UTGO Bonds.

(2) On the Issue Date, proceeds of the sale of the Refunding Bonds shall be deposited with the Refunding Trustee and used to discharge the obligations of the District relating to the outstanding 2007 UTGO Bonds by carrying out the Refunding Plan in accordance with this resolution and the Refunding Trust Agreement. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amounts required to be paid by the Refunding Plan with respect to the outstanding 2007 UTGO Bonds. The Acquired Obligations shall be listed and more particularly described in a schedule attached to the Refunding Trust Agreement.

(3) Any proceeds of the Refunding Bonds or other money deposited with the Refunding Trustee not needed to carry out the Refunding Plan shall be returned to the District for deposit in the Bond Fund to pay interest on the Bonds on the next interest payment date.

(e) *Refunding Trust Agreement; Administration of Refunding Plan.* The Designated Representative is authorized and directed to execute the Refunding Trust Agreement setting forth the duties, obligations, and responsibilities of the Refunding Trustee in connection with the carrying out the Refunding Plan. All Acquired Obligations and the money deposited with the

Refunding Trustee and any income therefrom shall be held irrevocably, invested, and applied in accordance with the provisions of the 2007 UTGO Bond Resolution, this resolution, chapter 39.53 RCW and other applicable State law. All administrative costs (including all necessary and proper fees, compensation, and expenses of the Refunding Trustee for the Refunding Bonds and all other costs incidental to the establishment of the escrow to accomplish the Refunding Plan) and costs of issuance of the Bonds may be paid out of the amounts deposited with the Refunding Trustee or other available money of the District, in accordance with the Refunding Trust Agreement.

(f) *Call for Redemption of the Refunded Bonds.* The Designated Representative is authorized to call all of the Refunded Bonds for redemption on their respective Redemption Dates at par, plus accrued interest. Such call for redemption shall identify the Refunded Bonds, the maturity dates, the Redemption Date, and the redemption price (expressed as a percentage of par, plus accrued interest), and shall be irrevocable after the Refunding Bonds are delivered to the Purchaser. The Designated Representative is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Resolutions, and to take all other actions necessary to effect the redemption of the Refunded Bonds on their respective Redemption Dates.

(g) *Additional Findings with Respect to the Refunding Plan.* Prior to approving the sale of the Refunding Bonds, the Designated Representative shall make the following determinations in writing if in his or her judgment the following conditions are met:

(1) The savings that will be effected by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of the Refunded Bonds but for carrying out the Refunding Plan shall be not less than the savings set forth in Exhibit A. In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Refunding Bonds and the Refunded Bonds, the costs of issuance and sale of the Refunding Bonds, and the known earned income from the investment of the proceeds of the Refunding Bonds pending redemption of the Refunded Bonds.

(2) The Refunding Plan will provide sufficient funds to discharge and satisfy the obligations, pledges, charges, trusts, covenants, and agreements of the District under the Refunded Bond Resolutions as to the Refunded Bonds, and the Refunded Bonds will no longer be deemed to be outstanding immediately upon the deposit of the money specified in the Refunding Plan with the Refunding Trustee. In making such determination, the Designated Representative may rely upon a certification of the Purchaser.

#### Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the District on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to

be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased, or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased, or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for the Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Registrar in writing of its allocation prior to the earliest mandatory redemption date for the Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the District, the District shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Registrar shall select all other Bonds to be redeemed randomly in such manner as the Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity, and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to each Rating Agency and to such other persons and with such additional information as the Treasurer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the District retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds.* The District reserves the right to purchase any or all of the Bonds offered to the District or in the open market at any time at any price acceptable to the District plus accrued interest to the date of purchase.

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the District shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the District and are payable from tax revenues of the District and such other money as is lawfully available and pledged by the District for the payment of principal of and interest on the Bonds. The full faith, credit, and resources of the District are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds, and such pledge shall be enforceable in mandamus against the District.

(a) *LTGO Bonds.* For as long as any of the LTGO Bonds are outstanding, the District irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the LTGO Bonds as the same become due.

(b) *UTGO Bonds.* For as long as any of the UTGO Bonds are outstanding, the District irrevocably pledges that it shall, in the manner provided by law without limitation as to rate or amount, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the UTGO Bonds as the same become due. Such levies shall be made (1) in respect of the 2007 UTGO Refunding Bonds, against all taxable property in Former District 8, and (2) in respect of the 2010 UTGO Refunding Bonds, against all taxable property in the District other than property in Former District 8. The allocation of the UTGO Bonds between 2007 UTGO Refunding Bonds and 2010 UTGO Refunding Bonds is set forth in Exhibit A.

Section 12. Tax Covenants; Designation of Bonds as "Qualified Tax Exempt Obligations."

(a) *Preservation of Tax Exemption for Interest on Bonds.* The District covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the District treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes.

(b) *Post-Issuance Compliance.* The Fire Chief of the District is authorized and directed to adopt and implement the District's written procedures to facilitate compliance by the

District with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Bonds as "Qualified Tax-Exempt Obligations."* The District designates the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, and makes the following findings and determinations:

(1) the Bonds do not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which the Bonds are issued will not exceed \$10,000,000; and

(3) the amount of tax-exempt obligations, including the Bonds, designated by the District as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the "defeased Bonds"); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the District sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the "trust account"), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund, or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Registered Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the District may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) *Sale of the Bonds.* The Designated Representative is authorized to sell the Bonds to the Purchaser by negotiated sale, based on the assessment of the Designated Representative of

market conditions, in consultation with appropriate District officials and staff, Bond Counsel, and other advisors. In determining and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the District. The Bond Purchase Agreement shall set forth the Final Terms of each Series. The Designated Representative is authorized to execute and deliver each Bond Purchase Agreement on behalf of the District, so long as the terms provided therein are consistent with the terms of this resolution.

(b) *Preparation, Execution, and Delivery of the Bonds.* The Bonds will be prepared at District expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Official Statements.

(a) *Preliminary Official Statements.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with the sale of each Series. The District approves the distribution to potential purchasers of the Bonds of each preliminary Official Statement that has been approved by the Designated Representative in accordance with this subsection.

(b) *Approval of Final Official Statements.* The District approves the preparation of a final Official Statement for each Series in the form of the preliminary Official Statement that has been approved in accordance with subsection (a) of this Section, with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver each final Official Statement to the Purchaser. The District authorizes and approves the distribution by the Purchaser of each final Official Statement so executed and delivered to purchasers and potential purchasers of each Series.

Section 16. Supplemental and Amendatory Resolutions. The District may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Registered Owners, or to surrender any right or power reserved to or conferred upon the District; or

(b) To cure any ambiguities, or to cure, correct, or supplement any defective provision contained in this resolution in a manner that does not materially adversely affect the interest of the Registered Owners.

Section 17. General Authorization and Ratification. The Fire Chief and other appropriate officers of the District are each individually authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of the Bonds to the Purchaser and for the proper application, use, and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this

resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 18. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 19. Effective Date of Resolution. This resolution shall take effect and be in force from and after its adoption.

ADOPTED by the Board of Fire Commissioners of Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington, at a regular open public meeting thereof of which due notice was given provided by law, held this 16th day of September, 2020, the following Commissioners being present and voting in favor of the resolution:

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Secretary

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PARAMETERS FOR FINAL TERMS OF THE LTGO BONDS

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- (a) Principal Amount. The principal amount of the LTGO Bonds shall not exceed by more than \$5,000 the amount needed to provide \$150,000 to carry out the Project, plus the amount needed to carry out the Refunding Plan with respect to the 2010 LTGO Bonds, plus the amount needed to pay costs of issuance and sale of the Project Bonds.
- (b) Date or Dates. Each LTGO Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name. The LTGO Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate. Each LTGO Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the LTGO Bonds. The true interest cost to the District for the LTGO Bonds may not exceed 2.00%.
- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative.
- (f) Final Maturity. The LTGO Bonds shall mature no later than December 1, 2031.

- (g) **Redemption Rights.** The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of LTGO Bonds, subject to the following:
- (1) Optional Redemption. Any LTGO Bond may be designated as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If an LTGO Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.
  - (2) Mandatory Redemption. Any LTGO Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.
- (h) **Price.** The purchase price for the LTGO Bonds may not be less than 97% or more than 110% of their stated principal amount.
- (i) **Debt Capacity.** The LTGO Bonds may not be issued if it would cause the indebtedness of the District to exceed the District's legal debt capacity on the Issue Date.
- (j) **Credit Enhancement.** The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement for the LTGO Bonds, and may accept such additional terms, conditions, and covenants as he or she may determine are in the best interests of the District, consistent with this resolution.

- (k) Minimum Savings. The LTGO Bonds shall produce a minimum savings to the District and its taxpayers of at least \$155,000, calculated as the aggregate difference between (1) annual debt service on the 2010 LTGO Bonds, less (2) annual debt service on the LTGO Bonds (including expenses related to costs of issuance and sale of the LTGO Bonds), plus (3) excess cash, if any, distributed to the District on the Issue Date in carrying out the Refunding Plan with respect to the 2010 LTGO Bonds, and less (4) the amount of additional money of the District contributed to the Refunding Plan with respect to the 2010 LTGO Bonds, if any, on the Issue Date.

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**PARAMETERS FOR FINAL TERMS OF THE UTGO BONDS**

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- (a) Principal Amount. The principal amount of the UTGO Bonds shall not exceed by more than \$5,000 the amount needed to carry out the Refunding Plan with respect to the 2007 UTGO Bonds and the 2010 UTGO Bonds.
- (b) Date or Dates. Each UTGO Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name. The UTGO Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate. Each UTGO Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the UTGO Bonds. The true interest cost to the District for the UTGO Bonds may not exceed 1.95%.

- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative.
- (f) Final Maturity. The UTGO Bonds shall mature no later than December 1, 2030.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of UTGO Bonds, subject to the following:
- (1) Optional Redemption. Any UTGO Bond may be designated as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a UTGO Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.
  - (2) Mandatory Redemption. Any UTGO Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.
- (h) Price. The purchase price for the UTGO Bonds may not be less than 97% or more than 110% of their stated principal amount.
- (i) Debt Capacity. The UTGO Bonds may not be issued if it would cause the indebtedness of the District to exceed the District's legal debt capacity on the Issue Date.

- (j) Credit Enhancement. The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement for the UTGO Bonds, and may accept such additional terms, conditions, and covenants as he or she may determine are in the best interests of the District, consistent with this resolution.
- (k) Minimum Savings. The UTGO Bonds shall produce a minimum savings to the District and its taxpayers of at least \$165,000, calculated as the aggregate difference between (1) annual debt service on the 2007 UTGO Bonds and the 2010 UTGO Bonds, less (2) annual debt service on the UTGO Bonds (including expenses related to costs of issuance and sale of the UTGO Bonds), plus (3) excess cash, if any, distributed to the District on the Issue Date in carrying out the Refunding Plan with respect to the 2007 UTGO Bonds and the 2010 UTGO Bonds, and less (4) the amount of additional money of the District contributed to the Refunding Plan with respect to the 2007 UTGO Bonds and the 2010 UTGO Bonds, if any, on the Issue Date.

## CERTIFICATION

I, the undersigned, Secretary to the Board of Fire Commissioners (the "Board") of Snoqualmie Pass Fire & Rescue, King and Kittitas Counties, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2020-18 (the "Resolution") is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board held at the regular meeting place thereof on September 16, 2020, as that resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a majority of the members voted in the proper manner for the adoption of the Resolution.

Dated: September 16, 2020.

SNOQUALMIE PASS FIRE & RESCUE  
KING AND KITTITAS COUNTIES,  
WASHINGTON

  
Secretary to the Board of Fire Commissioners