CLARK COUNTY FIRE & RESCUE
CLARK COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND, 2020

RESOLUTION NO. 200109-1

A RESOLUTION of the Board of Commissioners of Clark County Fire & Rescue, Clark County, Washington, providing for the issuance and sale of a limited tax general obligation bond of the district in the principal amount of not to exceed $1,700,000, to provide funds to finance the acquisition of a fire engine and fire equipment and vehicles, and paying costs of issuance; and delegating to the Designated Representative the authority to determine the date, form, and repayment terms of said bond; and providing for the pledge of the District's full faith and credit to pay the principal thereof and interest thereon; and approving the sale of such bond.

APPROVED ON JANUARY 9, 2020

PREPARED BY:

K&L GATES LLP
Seattle, Washington

CLARK COUNTY FIRE & RESCUE
RESOLUTION NO. 200109-1[1]

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WHEREAS, the Board of Commissioners (the "Board") of Clark County Fire & Rescue, Clark County, Washington (the "District"), plans to finance the acquisition of a fire engine and fire equipment and vehicles (as described in Section 2 herein, the "Project"); and

WHEREAS, the District is authorized, pursuant to RCW 52.16.061, to incur indebtedness and issue a limited tax general obligation bond for the purpose of providing funds to pay the costs of the Project and costs of issuance; and

WHEREAS, it is deemed necessary and advisable that the District now issue and sell its limited tax general obligation bond in the principal amount of not to exceed $1,700,000 (the "Bond") to pay the costs of the Project and the costs of issuance of the Bond; and

WHEREAS, the District has received the offer of Cashmere Valley Bank, Cashmere, Washington (the "Bank"), to purchase the Bond, and the Board wishes to delegate authority to the Fire Chief and the Administrative Services Division Chief of the District, or such other official of the District appointed in writing by the Fire Chief or Administrative Services Division Chief of the District (hereinafter defined as the

"Designated Representative"), for a limited time, to approve the structure of the Bond, to approve the interest rates, maturity dates, redemption provisions, and principal maturity of the Bond authorized herein under such terms and conditions as are approved by this resolution;;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CLARK COUNTY FIRE & RESCUE, CLARK COUNTY, WASHINGTON, as follows:

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

Bank means Cashmere Valley Bank, Cashmere, Washington, and any business successor thereto.

Board of Commissioners means the duly constituted Board of Commissioners as the general legislative authority of the District.

Bond Purchase Contract means the bond purchase agreement between the District and the Bank specifying the terms of the offer of the Bank to purchase the Bond, including the Interest Rate, Maturity Date, and repayment terms of the Bond, as accepted by the Designated Representative pursuant to Section 10 hereof.

Bond Register means the registration records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

Bond Registrar, initially, means the Treasurer. At any time following the issuance of the Bond, however, the Treasurer may determine to appoint a different Bond Registrar, including, but not limited to the fiscal agent of the State of Washington. The term ***Bond Registrar*** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

Bond means the Clark County Fire & Rescue District, Clark County, Washington, Limited Tax General Obligation Bond, 2020, issued pursuant to this resolution.

Bond Fund means the general obligation bond fund of the District maintained by the Treasurer pursuant to RCW 52.16.020(4).

Code means the federal Internal Revenue Code of 1986 as amended from time to time, and the applicable regulations thereunder.

Designated Representative means either of the Fire Chief and the Administrative Services Division Chief, and their successors in function, or such other official of the District appointed in writing by the Fire Chief or Administrative Services Division Chief of the District.

District means Clark County Fire & Rescue, Clark County, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

Expense Fund means the fund of the District established pursuant to RCW 52.16.010(1) as the general operating fund of the District.

Interest Rate means the rate specified in the Bond Purchase Contract.

Maturity Date has the meaning specified in the Bond Purchase Contract.

Project means the acquisition of a fire engine and fire equipment and vehicles for the District, as described in Section 2 hereof.

Treasurer means the Clark County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

Section 2. Authorization of Bond. The District shall now issue and sell to the Bank its limited tax general obligation bond in the principal amount of not to exceed $1,700,000 (the "Bond") to provide funds to pay the costs of:

- a Fire Engine,
- a Squad Unit,
- a Command Response Unit,
- SCBA Packs, Mask, Cylinders & Fill Station,
- Extrication & Fire Suppression Equipment,
- Thermal Imaging Cameras,
- Mobile Data Computers,
- Medical Equipment, and
- Such other facilities or equipment of the District as the Board of Commissioners shall determine.

(together, the "Project), and to pay the costs of issuance of the Bond.

The Bond shall be designated "Clark County Fire & Rescue District, Clark County, Washington, Limited Tax General Obligation Bond, 2020," shall be dated as of the date of its delivery to the Bank, shall be fully registered as to both principal and interest, shall be issued as a single fully registered bond, and shall be numbered in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification.

The Bond shall bear interest on unpaid principal from its date or the most recent date to which interest has been paid at the Interest Rate. Interest shall be calculated on the basis of a year of twelve months and 30 days per month. Payments of principal and interest shall be made semiannually on the 1st day of each [June and December, beginning June 1, 2020], or such dates as are specified the Bond Purchase Contract, with the final payment of all outstanding principal, together with interest thereon, on the Maturity Date.

Section 3. Registration and Payments. The District hereby requests the Treasurer act as the Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. The Bond shall not be transferable, except in whole to a financial institution. The Treasurer may determine at any time that she no longer wishes to act as Bond Registrar and thereupon appoint a successor Bond Registrar, which may or may not be the fiscal agent of the State of Washington. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Bank; *provided, however,* the final installment of principal on the Bond shall be payable only upon presentation and surrender of the Bond by the Bank at the principal office of the Treasurer.

Section 4. Prepayment. The District reserves the right to prepay principal of the Bond in advance of the scheduled payments, with 10 business days' prior to the Bank, in whole or in part, at any time, with no prepayment penalty; or as otherwise specified in the Bond Purchase Contract. Any partial prepayment shall be first applied to outstanding accrued interest with the balance applied to reduce principal. After a partial prepayment, the debt service schedule would be recalculated to provide approximately equal annual debt service installments to the Maturity Date. The Bank will provide the District and the Treasurer with an updated payment schedule within seven business days of a partial prepayment.

Section 5. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1 $_____

STATE OF WASHINGTON
CLARK COUNTY FIRE & RESCUE, CLARK COUNTY
LIMITED TAX GENERAL OBLIGATION BOND, 2020

INTEREST RATE: ___% per annum

MATURITY DATE: _____, 20__

REGISTERED OWNER: CASHMERE VALLEY BANK
117 APLETS WAY
CASHMERE, WA 98815

TAX IDENTIFICATION #: 91-0168460

PRINCIPAL AMOUNT: _____

CLARK COUNTY FIRE & RESCUE, CLARK COUNTY, WASHINGTON (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Interest Rate specified above, according to the following schedule:

[INSERT PAYMENT SCHEDULE]

This bond shall bear interest on unpaid principal from its date or the most recent date to which interest has been paid at the Interest Rate specified above, payable semiannually commencing on [June 1, 2020, and on each June 1 and December 1] thereafter, with final payment of all outstanding principal and interest thereon at final maturity of this bond on _____, 20__. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or draft of the Clark County Treasurer who is acting as the initial registrar, authenticating agent and paying agent for this bond (the "Bond Registrar") mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued pursuant to Resolution No. ___ of the District (the "Bond Resolution"), to provide funds for the construction and equipping of a new fire station for the District and to pay costs of issuance. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

The District reserves the right to prepay principal of this bond in advance of the scheduled payments set forth above, in whole or in part, with at least 10 business day's prior notice to the Bank, with no prepayment penalty; or as otherwise specified pursuant to the Bond Resolution. Prepayments will be applied first to interest and then to principal. Upon a partial prepayment, the repayment schedule above will be recalculated, and a revised payment schedule will be delivered to the District and the Registrar.

This bond is not transferable, except in whole to a financial institution.

This bond is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The District has designated this bond as a "qualified tax-exempt obligation" under Section 265(b) of the Code for investment by financial institutions.

To pay installments of principal of and interest on this bond as the same shall become due, the District hereby irrevocably covenants that it will deposit funds in the District's Bond Fund in amounts sufficient to pay such principal and interest. The full faith, credit and taxing power of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF, Clark County Fire & Rescue, Clark County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of its Board of Commissioners as of this ___ day of ____, 2020.

CLARK COUNTY FIRE & RESCUE, CLARK COUNTY, WASHINGTON

By _____/s/_____
Chair, Board of Commissioners

ATTEST:

_____/s/_____
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is the Limited Tax General Obligation Bond, 2020, of Clark County Fire & Rescue, Clark County, Washington, as described in the within mentioned Bond Resolution and dated this ___ day of _____, 2020.

CLARK COUNTY TREASURER,
as Bond Registrar

By _____

Section 6. Execution of Bond. The Bond shall be executed on behalf of the District with the manual or facsimile signatures of the Chair of the Board and Secretary of the District. Only such Bond as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by or on behalf of the Bond Registrar or its duly designated agent, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the District before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the District, such Bond

may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bond may also be signed and attested on behalf of the District by such persons who are at the actual date of delivery of the Bond, the proper officers of the District although at the original date of the Bond any such person shall not have been such officer of the District.

Section 7. Application of Bond Proceeds. The proceeds of the Bond shall be deposited in the Expense Fund of the District and used to pay the costs of the Project and costs of issuance.

Section 8. Pledge of Funds and Credit. To pay principal of and interest on the Bond as the same shall become due, the District hereby irrevocably covenants that it will deposit money in the Bond Fund in amounts sufficient to pay the principal of and interest on the Bond. The District hereby further irrevocably covenants that, unless the principal of and interest on the Bond are paid from other sources, it will make annual levies of taxes upon all of the property within the District subject to taxation within and as a part of the tax levy permitted to the District without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and taxing power of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

Section 9. Tax Covenants; Special Designation. The District hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the District that may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code that will cause the Bond to be an “arbitrage bond” within the meaning of said section

and said regulations. The District will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable Regulations thereunder throughout the term of the Bond.

The District further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a "private activity bond" under Section 141 of the Code.

The District hereby designates the Bond as a "qualified tax-exempt obligation" for purchase by financial institutions pursuant to Section 265(b) of the Code. The District does not anticipate that it will issue more than $10,000,000 in qualified tax-exempt obligations during the year 2020.

Section 10. Sale of the Bond.

(a) *Bond Sale*. The Bond shall be sold to the Bank pursuant to the terms of the Bond Purchase Contract. The Designated Representative is hereby authorized to negotiate terms for the purchase of the Bond and to execute the Bond Purchase Contract, with such terms as are approved by the Designated Representative pursuant to this section and consistent with this resolution. The Board has been advised that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Board. The Board has determined that it would be in the best interest of the District to delegate to the Designated Representative for a limited time the authority to approve the final interest rates, mandatory redemption provisions, if any (provided that the Bond shall be subject to optional redemption not later than 10.5 years from date of issue), maturity dates, aggregate principal amount, and other terms and conditions of the Bond.

The Designated Representative is hereby authorized to approve the final interest rates, mandatory redemption provisions, if any (provided that the Bond shall be subject to optional redemption not later than 10.5 years from date of issue), maturity dates, aggregate principal amount, in the manner provided hereafter so long as:

(i) the aggregate principal amount of the Bond does not exceed $1,700,000; and

(ii) the interest rate for the Bond may not exceed 5.0% and the true interest cost for the Bond does not exceed 5.0%.

In determining the final interest rates, mandatory redemption provisions, if any (provided that the Bond shall be subject to optional redemption not later than 10.5 years from date of issue), maturity dates, aggregate principal amount, principal amounts and prices of each maturity, the Designated Representative, in consultation with District staff, shall take into account those factors that, in his or her judgment, are best compatible with the needs of the District and will result in the lowest true interest cost on the Bond to its maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bond. Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the final form of the Bond Purchase Contract. Following the execution of the Purchase Contract, the Designated Representative shall provide a report to the Board, describing the final terms of the Bond approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this section shall expire on June 30, 2020. If a Bond Purchase Contract for the Bond has not been executed by June 30, 2020, the authorization for the issuance of the Bond shall be

rescinded, and the Bond shall not be issued nor their sale approved unless the Bond shall have been re-authorized by resolution of the Board. The resolution reauthorizing the issuance and sale of the Bond may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a Bond Purchase Contract or establishing terms and conditions for the authority delegated under this Section 10.

(b) *Delivery of the Bond; Documentation*. Upon the adoption of this resolution, the proper officials of the District including the Designated Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bond to the Bank and further to execute all closing certificates and documents required to effect the closing and delivery of the Bond in accordance with the terms of the Bond Purchase Contract.

The Designated Representative and other District officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bond to the Bank and for the proper application and use of the proceeds of sale of the Bond. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees and expenses specified in the Purchase Contract, and for other retained services, including Bond Counsel, fiscal agent, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 11. No Undertaking to Provide Ongoing Disclosure; Information to Bank . The Bond is not subject to Rule 15c2 12 of the Securities and Exchange Commission

under the Securities Exchange Act of 1934, and the District makes no undertaking regarding ongoing disclosure with respect to the Bond.

The District shall provide the Bank the information when and as specified in the Bond Purchase Contract for as long as the Bond is outstanding and held by the Bank.

Section 12. Lost, Stolen or Destroyed Bond.. In case the Bond shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like date, number and tenor to the Bank thereof upon the Bank's paying the expenses and charges of the District and the Bond Registrar in connection therewith and upon his filing with the District evidence satisfactory to the District and the Bond Registrar that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the District and Bond Registrar with indemnity satisfactory to the District.

Section 13. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the District shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 14. Effective Date. This resolution shall become effective immediately upon its passage and approval.

APPROVED by the Board of Commissioners of Clark County Fire & Rescue, Clark County, Washington, at a regular meeting thereof held this 9th day of January, 2020.

CLARK COUNTY FIRE & RESCUE,
CLARK COUNTY, WASHINGTON

Commissioner Stanley Chunn

Commissioner James R Johnson

Commissioner Larry Bartel

Commissioner Ken Ayers

Commissioner David Town

Attest: District Secretary

CERTIFICATE

I, the undersigned, Secretary of the Board of Commissioners of Clark County Fire & Rescue, Clark County, Washington, (the "District") and keeper of the records of the Board of Commissioners (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 200109-1 of the Board (the "Resolution"), duly passed at a regular meeting thereof held on the 9th day of January, 2020.

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 legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this the 9th day of January, 2020.

Secretary, Board of Commissioners