

FIRE PROTECTION DISTRICT NO. 4
SPOKANE COUNTY, WASHINGTON

BONDS FOR LAND, FIRE STATIONS, VEHICLES AND EQUIPMENT

RESOLUTION NO. 14-01

A RESOLUTION of the Board of Fire Commissioners of Fire Protection District No. 4, Spokane County, Washington, providing for the submission to the voters of the District at a special election to be held on August 5, 2014, in conjunction with the State Primary election to be held on the same date, of a proposition authorizing the District to issue general obligation bonds in the principal amount of no more than \$9,595,000, for the purpose of paying costs of acquiring land, constructing and equipping three new fire stations and a new fire training center, renovating existing fire stations and support facilities, acquiring fire fighting and emergency medical service vehicles and equipment, and upgrading District-wide communication and information systems, the principal of and interest on such bonds to be payable from annual excess property tax levies; designating the Fire Chief of the District and bond counsel to receive notice of the ballot title from the Auditor of Spokane County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

ADOPTED: MAY 6, 2014

This document prepared by:

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BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF FIRE PROTECTION DISTRICT NO. 4, SPOKANE COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Fire Commissioners (the "Board") of Fire Protection District No. 4, Spokane County, Washington (the "District"), takes note of the following facts and hereby makes the following findings and determinations:

(a) The public interest, health, welfare and safety require that the District acquire land, construct and equip three new fire stations and a new fire training center, renovate existing fire stations and support facilities, acquire fire fighting and emergency medical service vehicles and equipment, and upgrade District-wide communication and information systems, all as more particularly defined and described in Section 2 herein (collectively, the "Projects"). The Projects are urgently required to correct the existing conditions.

(b) The District lacks sufficient money with which to pay costs of the Projects.

(c) To pay costs of the Projects, it is necessary and advisable that the District issue and sell unlimited tax general obligation bonds in the principal amount of no more than \$9,595,000 (the "Bonds"), or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness or required to carry out and accomplish the Projects.

(d) The District is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State of Washington, including, but not limited to, Revised Code of Washington ("RCW") 39.36.050, RCW 52.16.080 and RCW 84.52.056, to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to repay the Bonds.

(e) The best interests of the District and its residents require the District to carry out and accomplish the Projects as hereinafter provided.

Section 2. Description of Projects. The Projects to be paid for with proceeds of the Bonds, including interest earnings thereon ("Bond Proceeds"), are more particularly defined and described as follows:

(a) Acquire land and interests in land as sites for new and expanded facilities of the District, all as deemed necessary and advisable by the Board. The term "land" as used herein includes all real property and improvements and other structures thereon and all interests therein.

(b) Construct and equip a new fire station on property owned by the District in the area of Elk Chattaroy, all as deemed necessary and advisable by the Board.

(c) Construct and equip a new fire station in the Deer Park area, or other site to be determined by the Board, all as deemed necessary and advisable by the Board.

(d) Construct and equip a new fire training center on a site to be determined by the Board, all as deemed necessary and advisable by the Board.

(e) Construct and equip a new fire station on property owned by the District in the area of Cooper Road and Highway 206, all as deemed necessary and advisable by the Board.

(f) Renovate existing fire stations and support facilities, all as deemed necessary and advisable by the Board.

(g) Upgrade District-wide communication and information systems, all as deemed necessary and advisable by the Board.

(h) Acquire fire fighting and emergency medical service vehicles and equipment, all as deemed necessary and advisable by the Board.

(i) Make other capital improvements, all as deemed necessary and advisable by the Board.

(j) Acquire, construct and install all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances in the foregoing, all as deemed necessary and advisable by the Board.

[*Remainder of page intentionally left blank*]

(k) Pay incidental costs incurred in connection with carrying out and accomplishing the Projects described above pursuant to RCW 52.16.080 and RCW 39.46.070. Such incidental costs shall be deemed part of the Projects and shall include, but not be limited to: (1) costs related to the issuance, sale and delivery of the Bonds; (2) payments for fiscal and legal expenses; (3) costs of obtaining ratings and bond insurance; (4) costs of printing, advertising, establishing and funding accounts; (5) payment of interest due on the Bonds for up to six months after completion of construction; (6) necessary and related engineering, architectural, planning, consulting, inspection, permitting and testing costs; (7) administrative and relocation expenses; (8) site acquisition and improvement costs; (9) demolition costs; (10) costs related to demolition and/or deconstruction of existing facilities to recycle, reclaim and repurpose such facilities and/or building materials; (11) costs of on-site and off-site utilities and road improvements; and (12) costs of other similar activities or purposes, all as deemed necessary and advisable by the Board.

The Projects, or any portion or portions thereof, shall be acquired or made insofar as is practicable with available Bond Proceeds, together with any other money of the District legally available therefor, and in such order of time as shall be deemed necessary and advisable by the Board. Subject to Section 6 of this resolution, the Board shall allocate the Bond Proceeds, together with any other money of the District legally available therefor, between the various parts of the Projects so as to accomplish, as near as may be, all of the Projects. The Board shall determine the exact order, extent and specifications for the Projects. The Projects are to be more fully described in the plans and specifications to be filed with the District.

Section 3. Calling of Election. The Auditor of Spokane County, Washington, as *ex officio* Supervisor of Elections (the "Auditor"), is requested to call and conduct a special election in the District, in the manner provided by law, to be held therein on August 5, 2014, in conjunction with the State Primary election to be held on the same date, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to repay the Bonds.

If the proposition is approved by the requisite number of voters, the District will be authorized to issue, sell and deliver the Bonds in the manner described in this resolution, spend the Bond Proceeds to pay costs of the Projects, and levy annual excess property taxes to repay the Bonds. The Bond Proceeds shall be used, either with or without additional money now available or hereafter available to the District, for capital purposes only, as permitted by law, which shall not include the replacement of equipment.

Section 4. Authorization to Issue the Bonds. The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, all as deemed necessary and advisable by the Board and as permitted by law. Further, the Bonds may be issued, as deemed necessary and advisable by the Board, as taxable bonds, tax-exempt bonds and/or any other type of tax credit bonds that are now or in the future may be authorized under applicable state and federal law.

Each series of the Bonds shall be issued as fully registered bonds; shall bear interest payable as permitted by law; shall mature within 20 years from the date of issuance of such series of the Bonds (but may mature at an earlier date or dates as fixed by the Board); shall be paid by annual

property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due; and shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which each series of the Bonds are to be issued, all as deemed necessary and advisable by the Board and as permitted by law. The life of the Projects to be financed with the Bond Proceeds shall exceed the term of the respective series of Bonds that finance the Projects. Pending the issuance of any series of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW to pay for any portion of the costs of the Projects. Such obligations may be paid or refunded with Bond Proceeds.

The Board hereby authorizes and directs the Fire Chief of the District (the "Fire Chief") to determine for each series of Bonds whether such series should be sold by private placement, or negotiated or competitive sale, and with respect to such series of Bonds that are to be sold by competitive sale, to: (a) specify a date and time of sale of such Bonds; (b) give notice of that sale; (c) determine any bid requirements and criteria for determining the award of the bid; (d) provide for the use of an electronic bidding mechanism if the Fire Chief deems electronic bidding to be beneficial to the District; and (e) specify other matters in his or her determination necessary, appropriate or desirable to carry out the sale of the Bonds. Notwithstanding the foregoing, the amount, date, denominations, interest rates, payment dates, final maturity, redemption rights, price, and other terms and conditions of the Bonds (or parameters with respect thereto) shall be hereafter fixed by one or more resolutions of the Board authorizing the issuance, sale and delivery of such series of Bonds, which resolutions may delegate to a District officer or employee the authority to fix any of the foregoing, all as deemed necessary and advisable by the Board and as permitted by law.

If the District receives voter approval to issue the Bonds in the manner described in this resolution, the Board authorizes and directs the Fire Chief to: (a) review and "deem final" (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission), if necessary and upon such official's satisfaction, any preliminary official statement prepared in connection with the sale of each series of the Bonds by the District; (b) authorize the "deemed final" preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells each series of the Bonds; and (c) acknowledge in writing any action taken pursuant to clauses (a) and (b) of this paragraph.

Section 5. Intent to Reimburse. The Board declares that to the extent, prior to the date the Bonds, or other bonds or obligations (which includes the Bonds, or other bonds or obligations issued as tax-exempt bonds and/or tax credit bonds) are issued to pay costs of the Projects, the District shall make capital expenditures for the Projects from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to pay costs of the Projects, those capital expenditures are intended to be reimbursed out of the Bond Proceeds, or proceeds of other bonds or obligations, issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 6. Sufficiency of Bond Proceeds. If Bond Proceeds are more than sufficient to carry out and accomplish the Projects (the "Excess Bond Proceeds"), the District may use the

Excess Bond Proceeds to retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as deemed necessary or advisable by the Board and as permitted by law. In the event that the Bond Proceeds, together with any other money of the District legally available therefor, are insufficient to carry out and accomplish all of the Projects, the District shall use the Bond Proceeds and other available money for paying the cost of that portion of the Projects that is deemed by the Board most necessary and in the best interest of the District.

Section 7. Alteration of Expenditures. If the Board shall subsequently determine that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects, the District shall not be required to accomplish all of the Projects and may apply the Bond Proceeds (or any portion thereof) to: (a) other portions of the Projects and/or (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as deemed necessary or advisable by the Board.

Section 8. Form of Ballot Title. Pursuant to RCW 29A.36.071, the Spokane County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

FIRE PROTECTION DISTRICT NO. 4 SPOKANE COUNTY, WASHINGTON

BONDS FOR LAND, FIRE STATIONS, VEHICLES AND EQUIPMENT

The Board of Fire Commissioners of Fire Protection District No. 4, Spokane County, Washington adopted Resolution No. 14-01, concerning a proposition to finance land, fire stations, vehicles and equipment. This proposition would authorize the District to acquire land, construct and equip three new fire stations and a new fire training center, renovate existing fire stations and support facilities, acquire fire fighting and emergency medical service vehicles and equipment, and upgrade District-wide communication and information systems; issue no more than \$9,595,000 of general obligation bonds maturing within 20 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 14-01. Should this proposition be:

Approved.....

Rejected.....

Section 9. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary of the District (the "Secretary") or her designee is directed to: (a) present a certified copy of this resolution to the Auditor no later than May 9, 2014; and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to repay the Bonds.

Section 10. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the Fire Chief (Randy M. Johnson), telephone: 509.467.4500; fax: 509.467.6032; email: randyj@scfd4.org; and (b) bond counsel, Foster Pepper PLLC (Jim McNeill), telephone: 509.777.1602; fax: 800.533.2284; email: mcnej@foster.com, as the individuals to whom the Auditor shall provide such notice. The Fire Chief is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the Spokane County Prosecuting Attorney.

Section 11. Authorization of Local Voters' Pamphlet. To the extent a local voters' pamphlet and/or online voters' guide (the "Pamphlet") will be produced for the August 5, 2014 election, the preparation and distribution of information on the ballot title for inclusion the Pamphlet is hereby authorized. The Pamphlet shall include, if applicable, an explanatory statement and statements in favor of and in opposition to the ballot title. The preparation of explanatory statement, the appointment of pro/con committees, the preparation of statements in favor of and in opposition to the ballot title, and the payment of the costs of the Pamphlet shall be in accordance with chapter 29A.32 RCW and the rules and guidelines of the Auditor, as applicable.

Section 12. General Authorization and Ratification. The Fire Chief, the Secretary, the Chair of the Board, other appropriate officers of the District and bond counsel, Foster Pepper PLLC, are severally authorized and directed to take such actions and to execute such documents as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are hereby ratified and confirmed in all respects.

Section 13. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds or of the levy or collection of the taxes pledged to pay and retire the Bonds.

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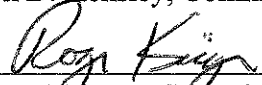
Section 14. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Fire Commissioners of Fire Protection District No. 4, Spokane County, Washington, at a special open public meeting thereof, of which due notice was given as required by law, held this 6th day of May, 2014, the following Commissioners being present and voting in favor of the resolution.


FIRE PROTECTION DISTRICT NO. 4
SPOKANE COUNTY, WASHINGTON


James R. Lahde, Chair and Commissioner


Jack D. Hensley, Commissioner


Roger Krieger, Commissioner

ATTEST:


Lena R. Mack
Secretary of the District

Spokane County
Elections Department

RG

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CERTIFICATION

I, LENA R. MACK, Secretary of Fire Protection District No. 4, Spokane County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 14-01 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a special meeting of the Board of Fire Commissioners of the District (the "Board") held at the regular meeting place thereof on May 6, 2014, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect;

2. Written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the special meeting (the "Notice"), a true and complete copy of the Notice is attached hereto as Appendix 1;


3. The Notice was also posted on the District's web site and prominently displayed at the main entrance of the District's Administrative Office and the special meeting site at least 24 hours prior to the special meeting;

4. The Notice was also given by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the special meeting to each local radio or television station and to each newspaper of general circulation that has on file with the District a written request to be notified of special meetings and to any others to which such notices are customarily given by the District; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of May, 2014.

FIRE PROTECTION DISTRICT NO. 4
SPOKANE COUNTY, WASHINGTON



LENA R. MACK
Secretary of the District

Spokane County
Elections Department

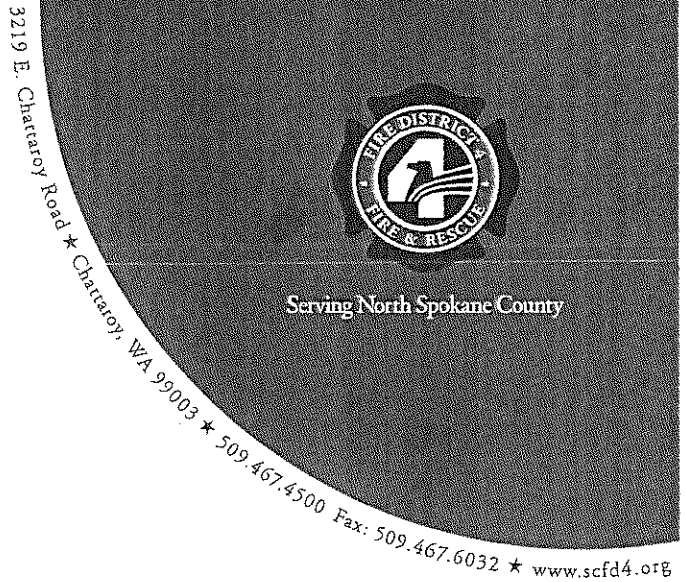
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APPENDIX 1

COPY OF NOTICE OF SPECIAL MEETING




FIRE PROTECTION DISTRICT NO. 4
SPOKANE COUNTY, WASHINGTON

NOTICE OF SPECIAL MEETING

NOTICE is hereby given that the Board of Fire Commissioners (the "Board") of Fire Protection District No. 4, Spokane County, Washington (the "District") will hold a Special Meeting on Tuesday, May 6, 2014, at 11:00AM in the Boardroom of the District's Administration Facility (immediately behind Fire Station No. 42), located at 3219 E. Chattaroy Road, Chattaroy, Washington. The May 6, 2014 Special Meeting is called for the purpose of considering and acting upon Resolution No. 14-01, which provides for the submission to the District's voters, at a special election to be held on August 5, 2014, of a proposition authorizing the District to issue bonds to pay costs of acquiring land, constructing and equipping two new fire stations, and acquiring fire fighting and emergency medical service vehicles and equipment.

FIRE PROTECTION DISTRICT NO. 4
SPOKANE COUNTY, WASHINGTON


Jim Lahde
Chair of the Board of Fire Commissioners

Spokane County
Elections Department

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