

FIRE PROTECTION DISTRICT NO. 43  
(MAPLE VALLEY FIRE AND LIFE SAFETY)

KING COUNTY, WASHINGTON

RESOLUTION NO. R-2012-015

A RESOLUTION of the Board of Fire Commissioners of Fire Protection District No. 43 (Maple Valley Fire and Life Safety), King County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$1,500,000 aggregate principal amount of unlimited tax general obligation bonds authorized by the qualified voters of the District at a special election held pursuant to Resolution No. R-04-01 of the District; 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 October 4, 2012

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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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BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF FIRE PROTECTION DISTRICT NO. 43 (MAPLE VALLEY FIRE AND LIFE SAFETY), KING COUNTY, WASHINGTON, as follows:

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

(a) “*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity.

(b) “*Beneficial Owner*” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(c) “*Ballot Measure Resolution*” means Resolution No. R-04-01 of the District, adopted by the Board on July 22, 2004, submitting to the voters a proposition authorizing the issuance of not to exceed \$9,000,000 par value of unlimited tax general obligation bonds.

(d) “*Board*” means Board of Fire Commissioners of the District, as the governmental body of the District.

(e) “*Bond Authorization*” means the unlimited tax general obligation bonds in the aggregate principal amount of \$9,000,000 authorized by the Ballot Measure Resolution and approved by the requisite number of voters of the District at a special election held on September 14, 2004 for the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance of such bonds.

(f) “*Bond Counsel*” means the firm of Foster Pepper PLLC, 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.

(g) “*Bond Fund*” means the General Obligation Bond Fund created and existing pursuant to RCW 52.16.020 in the office of the Treasurer for payment of the Bonds.

(h) “*Bond Purchase Agreement*” means an offer to purchase the Bonds setting forth certain terms and conditions of the issuance, sale and delivery of the Bonds, which offer is accepted by the District pursuant to this resolution.

(i) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bonds.

(j) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the Treasurer.

(k) “*Bonds*” means the bonds issued pursuant to and for the purposes provided in this resolution.

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

(m) “*District*” means Fire Protection District No. 43 (Maple Valley Fire and Life Safety), King County, Washington, a municipal corporation duly organized and existing under the laws of the State.

(n) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(o) “*Designated Representative*” means the officer of the District appointed in Section 4 of this resolution to serve as the District’s designated representative in accordance with RCW 39.46.040(2).

(p) “*Final Terms*” means the terms and conditions for the sale of the Bonds including, but not limited to the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

(q) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(r) “*Fire Chief*” means the Fire Chief of the District.

(s) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(t) “*Issue Date*” means the date of initial issuance and delivery of the Bonds to the Underwriter in exchange for the purchase price of the Bonds.

(u) “*Letter of Representations*” means the Blanket Issuer Letter of Representations dated June 10, 1999, between the District and DTC, as it may be amended from time to time, or a similar agreement with a successor or substitute Securities Depository.

(v) “*MSRB*” means the Municipal Securities Rulemaking Board.

(w) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(x) “*Project*” means acquiring firefighting, emergency, communications, medical and safety equipment, apparatus including fire engines and other vehicles, and improving and equipping fire stations and carrying out other capital purposes as determined by the Board and more particularly described in the Ballot Measure Resolution. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, shall be included as costs of the Project.

(y) “*Project Fund*” means Capital Improvement Fund 100433010 of the District previously created for the purpose of carrying out the Project.

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

(aa) “*Record Date*” means the Bond Registrar’s close of business on the 15<sup>th</sup> day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(bb) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the District utilizes the book–entry system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(cc) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(dd) “*SEC*” means the United States Securities and Exchange Commission.

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

(ff) “*State*” means the State of Washington.

(gg) “*System of Registration*” means the system of registration for the District’s bonds and other obligations set forth in Resolution No. 266 of the District.

(hh) “*Term Bonds*” means those Bonds designated as Term Bonds and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(ii) “*Treasurer*” means the Office of the Treasury Manager, Finance and Business Operations Division, Department of Executive Services of King County, Washington, or his or her designee, as *ex officio* Treasurer of the District.

(jj) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this resolution.

(kk) “*Underwriter*” means Martin Nelson & Company, Inc. of Seattle, Washington.

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

(a) *Voter Authorization of Bonds.* At an election held on September 14, 2004, pursuant to the Ballot Measure Resolution, the requisite proportion of voters of the District passed Proposition No. 1 and approved by the requisite supermajority the issuance of not to exceed \$9,000,000 principal amount of unlimited tax general obligation bonds for the purpose of providing funds necessary to carry out the Project and to pay the costs of issuance of such bonds, and the collection of excess property taxes in amounts sufficient to repay those bonds.

(b) *Remaining Bond Authorization.* The District issued its first series of the Bond Authorization, its \$4,000,000 principal amount of Unlimited Tax General Obligations Bonds, 2004, pursuant to Resolution No. R-04-07 adopted by the Board on October 14, 2004. The District issued its second series of the Bond Authorization, its \$3,500,000 principal amount of Unlimited Tax General Obligation Bonds, 2007, pursuant to Resolution No. R-2007-12 adopted by the Board on November 1, 2007. The District is currently authorized to issue \$1,500,000 aggregate principal amount of unlimited tax general obligation bonds as its third and final series of the Bond Authorization.

(c) *The Bonds.* For the purpose of providing the funds necessary to carry out the Project and pay the costs of issuance and sale of the Bonds, the Board finds that it is in the best interests of the District and its taxpayers to issue and sell the Bonds to the Underwriter, pursuant to the terms set forth in the Bond Purchase Agreement and consistent with this resolution.

Section 3. Authorization of Bonds. The District is authorized to issue and sell its unlimited tax general obligation bonds evidencing indebtedness in the amount not to exceed \$1,500,000 to provide funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds, after payment of costs of issuance, shall be deposited as set forth in Section 8 and shall be used to carry out the Project, or a portion of the Project, in such order of time as the District determines is advisable and practicable. The funds derived from the sale of the Bonds must be used for capital purposes only, which must not include the replacement of equipment.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Fire Chief is appointed as the District’s Designated Representative and is 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 the Bonds, with such additional terms and covenants as he or she deems advisable, within the following parameters:

(a) *Principal Amount.* The Bonds may not exceed the aggregate principal amount of \$1,500,000.

(b) *Date or Dates.* The Bonds must be dated as of their date of delivery to the Underwriter, which date may not be later than December 1, 2012.

(c) *Denominations, Series Designation, etc.* The Bonds must be issued in Authorized Denominations and numbered separately in the manner and bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.

(d) *Interest Rate(s).* The Bonds must bear interest at fixed rates per annum (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment 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 Bonds, provided that the rate of interest for any Bond may not exceed 4.5%, and the “all-in” true interest cost to the District for the Bonds may not exceed 4.0%.

(e) *Payment Dates.* Interest must be payable at fixed rates semiannually on such dates as are acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal must be payable at maturity or in mandatory redemption installments, on such dates as are acceptable to the Designated Representative.

(f) *Final Maturity.* The Bonds must mature no later than the date that is twenty years after the Issue Date.

(g) *Redemption Rights.* In his or her discretion, the Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, as follows:

(1) Optional Redemption. Any 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 Bond is designated as 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 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 Bonds may not be less than 97% or more than 105% of the stated principal amount of the Bonds.

- (i) *Other Terms and Conditions.*
- (1) The 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.
- (2) The Bonds must be sold by negotiated sale, in accordance with Section 14 of this resolution.
- (3) The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement; 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.

**Section 5. Bond Registrar; Registration and Transfer of Bonds.**

(a) **Bond Registrar; Duties.** Pursuant to RCW 39.46.030(3)(b), the Treasurer has appointed the Fiscal Agent to act as Bond Registrar for the Bonds. The Bond 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 Bond 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 Bond Registrar's powers and duties under this resolution and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner of a Bond with the same rights it would have if it were not the Bond 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 Beneficial Owners.

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

(c) **Securities Depository; Book-Entry Form.** The Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC, acting as Securities Depository. Bonds so registered shall be held fully immobilized in book-entry form by DTC in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond (or portion of a Bond) held in book-entry form may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District or such

substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in book-entry form. Upon the resignation of the Securities Depository from its functions as depository, or upon a termination of the services of the Securities Depository, the Treasurer may appoint a substitute Securities Depository. If (i) a Securities Depository resigns from its functions as depository, and no substitute Securities Depository can be obtained, or (ii) the District determines that a Bond is to be in certificated form, such Bond no longer shall be held in book-entry form and the ownership of such Bond may be transferred to any person as provided in this resolution.

Neither the District nor the Bond 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 Bond Registrar shall be responsible for any notice which is permitted or required to be given to an Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures.* The Bonds shall be prepared in a form consistent with the provisions of this resolution and State law. The Bonds shall be signed in the corporate name of the District by the Chair of the Board and the Secretary of the District, 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 Bond Registrar, or issued or delivered by the District, that 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 Bonds bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond 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 Fire Protection District No. 43 (Maple Valley Fire and Life Safety), King County, Washington, Unlimited Tax General Obligation Bonds, 2012." 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 the Bonds shall be payable in lawful money of the United States of America. For as long as a Bond is held in book-entry form by the Securities Depository or its nominee, payment of principal of and interest on that Bond shall be made in the manner set forth in the Letter of Representations. If a Bond ceases to be in book-entry form, interest on that Bond shall be paid by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register as of the Record Date.

However, the District is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least 10 days before an interest payment date and at the sole expense of the requesting Registered Owner. Principal of a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) *Bond Fund.* The Bond Fund has been previously created as a special fund for the sole purpose of paying principal of and interest on the District's unlimited tax general obligation bonds. Any Bond proceeds remaining after proceeds are deposited in the Project Fund as described below shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund, and until needed for this purpose, the District may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and be used for the purposes of that fund.

(b) *Project Fund.* Proceeds received from the sale and delivery of the Bonds in an amount not exceeding the principal amount of the Bonds shall be deposited into the Project Fund and used to pay the costs of the Project. Bond proceeds in an amount sufficient to pay the costs of issuance shall also be deposited into the Project Fund and used for that purpose. Until needed to pay such costs, the District may invest those proceeds deposited in the Project Fund temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and be used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 9. Redemption Provisions and Open Market Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to optional redemption as approved by the Designated Representative, within the parameters set forth in Section 4.

(b) *Mandatory Redemption.* Bonds designated as Term Bonds by the Designated Representative within the parameters set forth in Section 4, if not previously redeemed under any optional redemption provisions or purchased and surrendered for cancellation under the provisions 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 redemption dates and in the redemption amounts as set forth in the Bond Purchase Agreement. If Term Bonds are redeemed under the optional redemption provisions, purchased by the District and cancelled, or defeased, the principal amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The District shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(c) *Partial Redemptions.* Portions of the principal amount of any Bond, in any Authorized Denomination, may be redeemed. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond 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 maturity and interest rate in any Authorized Denomination in the aggregate principal amount remaining unredeemed. While a Bond is held in book-entry form by the Securities Depository or its nominee, selection of the principal portion of any Bond to be partially redeemed shall be done in accordance with the Letter of Representations. If a Bond ceases to be held in book-entry form by the Securities Depository or its nominee, the portion to be partially redeemed shall be selected randomly in such manner as the Bond Registrar shall determine.

(d) *Notice of Redemption.* While a Bond is held in book-entry form by the Securities Depository or its nominee, notice of redemption shall be given as required in accordance with the Letter of Representations, and the Bond Registrar shall not be required to give any other notice of redemption. If a Bond ceases to be held in book-entry form by the Securities Depository or its nominee, unless waived by the Registered Owner of the Bond to be redeemed, the District shall cause notice of an intended redemption of Bonds to be given by the Bond 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 of each Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice. 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 of any Bond. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Officer Manager shall determine, but these additional mailings shall not be a condition precedent to the redemption of a Bond.

(e) *Rescission of Optional Redemption.* 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 optional redemption of those Bonds 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 a Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption, unless the notice of redemption is rescinded as set forth above.

(g) *Open Market Purchase.* The District reserves the right to purchase any or all of the Bonds 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 any Bond is not redeemed when properly presented at its maturity or date set 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 set 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 and the Bond has been called for payment by giving notice of that call to the Registered Owner. The Bonds are not subject to acceleration under any circumstances.

Section 11. Pledge of Taxes. For as long as any of the Bonds are outstanding, the District irrevocably pledges to levy taxes annually without limitation as to rate or amount on all of the taxable property within the District, except those lands within the District that are now paying or hereafter are required to pay only forest protection assessments, in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

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 at any time during the term of the Bonds which will cause interest on the Bonds to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds, including the calculation and payment of any penalties that the District has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

(b) *Post-Issuance Compliance.* The Designated Representative is authorized and directed to adopt and implement the District’s written procedures to facilitate compliance by the District with the covenants in this Section 12 and the applicable requirements of the Code that must be satisfied after the issue date to maintain the tax treatment of the Bonds and the receipt of interest thereon.

(c) *Small Governmental Issuer Arbitrage Rebate Exception and Designation of Bonds as “Qualified Tax-Exempt Obligations.”* The District certifies that the Bonds are eligible for the arbitrage rebate exception under Section 148(f)(4)(D) of the Code and 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) it is a duly organized and existing governmental unit of the State and has general taxing power;
- (2) no Bond which is part of this issue of Bonds is a “private activity bond” within the meaning of Section 141 of the Code;

- (3) At least 95% of the net proceeds of the Bonds will be used for local governmental activities of the District (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the District);
- (4) The aggregate face amount of all tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) issued by the District and all entities 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) during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000; and
- (5) 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 the affected portion 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 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.

While a Bond is held in book-entry form by the Securities Depository or its nominee, notice of any defeasance shall be given in the manner prescribed in the Letter of Representations for notices of redemption of Bonds. If a Bond ceases to be held in book-entry form, then unless specified by the District in a refunding or defeasance plan, selection of Bonds to be defeased, notice of defeasance and replacement of Bond certificates shall be done in accordance with the provisions of this resolution for the redemption of Bonds prior to their maturity.

Section 14. Manner of Sale of Bonds; Delivery of Bonds. The Designated Representative is authorized to sell the Bonds by negotiated sale to the Underwriter, in consultation with appropriate District officials and staff, Bond Counsel and other advisors. In determining the Final Terms and the method of sale of the Bonds, the Designated Representative shall take into account those factors that, in his or her judgment, may be expected to result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current

interest rates for obligations comparable to the Bonds. The Bond Purchase Agreement for the Bonds shall set forth the Final Terms of the Bonds. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the District, so long as the terms provided therein are consistent with the terms of this resolution.

The Bonds shall be prepared at District expense and shall be delivered to the Underwriter in accordance with the Bond Purchase Agreement, with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement.* The Designated Representative shall review the form of the preliminary official statement prepared in connection with the sale of the Bonds to the public. For the sole purpose of the Underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to "deem final" that preliminary official statement as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential bond purchasers of a preliminary official statement that has been "deemed final" in accordance with this paragraph.

(b) *Approval of Final Official Statement.* The District authorizes and approves the preparation of and authorizes and directs the Designated Representative to execute and deliver to the Underwriter a final official statement for the Bonds to be sold to the public, in the form of the preliminary official statement, with such modifications and amendments as he or she deems necessary or desirable. The District authorizes and approves the distribution by the Underwriter of that final official statement to potential purchasers and purchasers of the Bonds.

(b) Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds in substantially the form attached as Exhibit A.

Section 16. Supplemental Resolutions. The District may pass a resolution or resolutions supplemental to this resolution which supplemental resolution or resolutions thereafter shall become a part of this resolution, for any one or more of the following purposes:

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

(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 Beneficial Owners of the Bonds.

Section 17. General Authorization and Ratification. The Designated Representative, and other appropriate officers of the District are severally authorized and directed 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 Underwriter and for the proper application,

use and investment of the bond proceeds. 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 become effective immediately upon its adoption.

ADOPTED by the Board of Fire Commissioners of Fire Protection District No. 43 (Maple Valley Fire and Life Safety), King County, Washington, at a regular open public meeting thereof this 4<sup>th</sup> day of October, 2012.

FIRE PROTECTION DISTRICT NO. 43  
(MAPLE VALLEY FIRE AND LIFE SAFETY)  
KING COUNTY, WASHINGTON

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Chair and Commissioner

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Commissioner

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Commissioner

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Commissioner

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Commissioner

ATTEST:

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Secretary of the District

**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE****Fire Protection District No. 43 (Maple Valley Fire and Life Safety),  
King County, Washington  
Unlimited Tax General Obligation Bonds, 2012**

To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the above-referenced Bonds (the “Bonds”), the District makes the following written Undertaking for the benefit of holders of the Bonds:

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (1) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”);
- (2) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (3) Timely notice of a failure by the District to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the District undertakes to provide in subsection (a) of this section:

- (1) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to State local governmental units such as the District, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are otherwise prepared and available they will be provided; (2) a statement of the authorized, issued and outstanding balance of general obligation debt of the District; (3) assessed valuation of property within the District subject to ad valorem taxation; and (4) ad valorem tax levy rates and amounts and the amount collected;
- (2) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the District (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the District's fiscal year ending December 31, 2012; and
- (3) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit of the District and the Beneficial Owner of a Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The District's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the District's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the District to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the District, and the District provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the District learns of any failure to comply with the Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy of a Beneficial Owner of a Bond shall be to take action to compel the District or other obligated person to comply with the Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Designated Representative or his or her designee is authorized to take such further actions as may be necessary, appropriate or convenient to carry out this Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (1) Preparing and filing the annual financial information undertaken to be provided;
- (2) Determining whether any event specified in subsection (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (3) Determining whether any person other than the District is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with Rule 15c2-12;
- (4) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the District in carrying out the Undertaking; and
- (5) Effecting any necessary amendment of the Undertaking.

## CERTIFICATION

I, the undersigned, Secretary of the Fire Protection District No. 43 (Maple Valley Fire and Life Safety), King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. R-2012-015 (the "Resolution") is a full, true and correct copy of an resolution duly passed at a regular meeting of the Board of Fire Commissioners (the "Board") of the District held at the regular meeting place thereof on October 4, 2012, as that resolution appears on the minute book of the District.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 4<sup>th</sup> day of October, 2012.

FIRE PROTECTION DISTRICT NO. 43  
(MAPLE VALLEY FIRE AND LIFE SAFETY)  
KING COUNTY, WASHINGTON

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Michele de Leon, Secretary of the District