



# Orting Valley Fire and Rescue

Pierce County Fire District 18  
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## Resolution No. 2017-015

A RESOLUTION BY THE BOARD OF FIRE COMMISSIONERS OF PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 18 (ORTING VALLEY FIRE AND RESCUE), PIERCE COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A LIMITED GENERAL OBLIGATION BOND OF THE DISTRICT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,500,000, TO PROVIDE FUNDS FOR ACQUIRING A BUILDING AND MAKING IMPROVEMENTS TO THE BUILDING FOR DISTRICT USE AND PAYING COSTS OF ISSUANCE; DELEGATING AUTHORITY TO APPROVE THE FINAL 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.

WHEREAS, the Board of Fire Commissioners (the "Board") of Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington (the "District"), plans to acquire a building and make capital improvements to the building for District use (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 of said bond; 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 \$2,500,000 (the "Bond") to pay the costs of the Project and the costs of issuance of the Bond; and

WHEREAS, this Board has determined to delegate authority to the Fire Chief and/or Chair of the Board (each a "Designated Representative") to approve an offer for purchase of the Bond authorized herein, and the final principal amount, interest rate, prepayment provisions, payment dates, maturity dates and other terms;

NOW, THEREFORE BE IT HEREBY RESOLVED, BY THE BOARD OF FIRE COMMISSIONERS OF PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 18 AS FOLLOWS:

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

**Approved Offer** means the commitment letter or proposal submitted for the Bond to the District to purchase the Bond pursuant to the Term Sheet as approved by the District Representative pursuant to Section 10 of this resolution and may include a separate agreement, at the option of and approved by the District Representative.

**Bank** means the initial purchasing entity or bank purchaser of the Bond, and any business successor thereto, and shall include the purchaser's assignee/transferee as the registered owner shown on the books of the Bond Registrar.

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

**Bond** means the Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington, Limited Tax General Obligation Bond, 2017, 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).

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

**Bond Registrar** means U.S. Bank National Association, the fiscal agent of the State of Washington whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of the Bond. The term **Bond Registrar** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

**Closing Date** means the date of initial delivery of the Bond to the Bank and receipt of the proceeds thereof.

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

**Designated Representative** means the Fire Chief and/or Chair of the Board of the District.

**District** means Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce 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.

**Placement Agent** means D.A. Davidson & Co., Seattle, Washington.

**Project** means the acquisition of a building and capital improvements to the building for District use.

**Term Sheet** means the original term sheet circulated to prospective purchasers by the Placement Agent.

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

Section 2. Authorization of Bond. To fund the Project and to pay the costs of issuance of the Bond, the District shall issue and sell to the Bank its limited tax general obligation bond in the principal amount of not to exceed \$2,500,000 (the "Bond"). The Bond shall be designated "Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington, Limited Tax General Obligation Bond, 2017," 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 be dated and bear interest at the per annum rates, payable on the dates and maturing in the principal amounts as set forth in the Approved Offer, pursuant to Section 10 of this resolution.

Section 3. Registration and Payments. The District requests that the Treasurer appoint the fiscal agent of the State of Washington to act as authenticating agent, paying agent and registrar for the Bond (the "Bond Registrar"). The duties of the Bond Registrar hereunder are limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. Both principal of and interest on the Bond is payable in lawful money of the United States of America. Payments of principal of and interest on the Bond will be made by check or draft of the Bond Registrar mailed on the date such principal and interest is due or by electronic funds transfer made on such due date to the registered owner at the address appearing on the Bond Register. Upon final payment of all principal of and interest on the Bond, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

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.

The Bond is transferable only in whole to a successor in interest (through merger, corporate reorganization or purchase of the Bank) or to a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933.

Section 4. Prepayment. The District reserves the right to prepay principal of the Bond, subject to the terms and conditions set forth in the Approved Offer. The District shall provide the Bank and the Bond Registrar with 10 days' prior written notice of any such prepayment.

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

NO. R-1 UNITED STATES OF AMERICA \$ \_\_\_\_\_

STATE OF WASHINGTON  
PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 18 (ORTING VALLEY FIRE  
AND RESCUE), PIERCE COUNTY  
LIMITED TAX GENERAL OBLIGATION BOND, 2017

INTEREST RATE: \_\_\_\_\_%

MATURITY DATE: \_\_\_\_\_, 20\_\_

REGISTERED OWNER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TAX IDENTIFICATION #: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100  
DOLLARS

PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 18 (ORTING VALLEY FIRE AND RESCUE), PIERCE 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. Principal and interest shall be repaid in installments set forth below:

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Debt Service</u>
	\$	%	

Interest shall be calculated on the basis of a 360-day year consisting of 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 fiscal agent of the State of Washington (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. 2017-015 of the District (the "Bond Resolution"), to provide funds for acquiring a building and making capital improvements to the building for District use. 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 as set forth in the Bond Resolution.

This bond is transferable only in whole to a successor in interest (through merger, corporate reorganization or purchase of the Registered Owner) or to a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933.

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. The District hereby irrevocably covenants for as long as this bond is outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax, within and as a part of the tax millage levy permitted to the District without a vote of the people, upon all the property within the District subject to taxation in an amount which will be sufficient, together with all other funds of the District which may legally be used and which the District may apply for such purposes, to pay the principal of and interest on this bond as the same shall become due.

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, Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of its Board of Fire Commissioners as of this \_\_\_ day of \_\_\_\_\_, 2017.

PIERCE COUNTY FIRE PROTECTION  
DISTRICT NO. 18 (ORTING VALLEY FIRE  
AND RESCUE), PIERCE COUNTY,  
WASHINGTON

By \_\_\_\_\_  
Chair, Board of Fire Commissioners

ATTEST:

\_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This is the Limited Tax General Obligation Bond, 2017, of Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington, dated \_\_\_\_\_, 2017 as described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENT,  
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. The Bond shall not be valid or obligatory for any purpose or entitled to the benefits of this resolution unless the Certificate of Authentication in the form hereinbefore recited, is manually executed by or on behalf of the Bond Registrar or its duly designated agent.

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. A portion of the proceeds shall be used for the Project. The Bond proceeds also may be used to pay issuance costs.

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 full faith, credit and taxing power of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

The District hereby irrevocably covenants for as long as the Bond is outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax, within and as a part of the tax millage levy permitted to the District without a vote of the people, upon all the property within the District subject to taxation in an amount which will be sufficient, together with all other funds of the District which may legally be used and which the District may apply for such purposes, to pay the principal of and interest on the Bond as the same shall become due.

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 2017 (excluding obligations permitted by the Code to be excluded for purposes of the District’s qualification as a qualified small issuer).

Section 10. Delegation of Authority; Sale of the Bond. The Board has determined that it would be in the best interest of the District to delegate to the District Representative, with the assistance of the Placement Agent, the authority to negotiate terms for the purchase of the Bond and to approve the Term Sheet and its circulation, approve the Approved Offer, approve the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond, with such terms as are approved by the District Representative pursuant to this section and consistent with this resolution. The District Representative, with the assistance of the Placement Agent, is hereby authorized to negotiate terms for the purchase of the Bond and to approve the Term Sheet and its circulation, approve the Approved Offer, approve the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond, so long as (i) the aggregate principal amount of the Bond does not exceed \$2,500,000; (ii) the true interest cost for the Bond does not exceed 5.00%; (iii) the coupon (interest rate) of the Bond does not exceed 5.50%; and (iv) the Bond matures within 20 years or less of the Closing Date.

In approving the Approved Offer, determining the interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond, the District Representative, in consultation with District staff and the Placement Agent, shall take into account those factors that, in his/her judgment, will result in the most favorable result to the District taking into consideration all proposed terms. The District specifically reserves the right to make the decision based on all factors.

The District Representative shall select the purchasing entity or bank to purchase the Bond through a process of soliciting proposals for purchase with a Term Sheet. Upon the selection of a Bank, the District Representative shall negotiate the terms of sale for the Bond, including the terms described in this section, in an Approved Offer.

Subject to the terms and conditions set forth in this Section 10, the District Representative is hereby authorized to execute the final form of an Approved Offer; which may include email communications, upon his/her approval of the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond set forth therein. Following the sale of the Bond, the District 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 District Representative by this section shall remain in effect until December 31, 2017. If the sale for the Bond has not been completed by December 31, 2017, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless the Bond shall have been re-authorized by resolution of the District. 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 establishing terms and conditions for the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the District including the District Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of the Bond 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 Approved Offer. In furtherance of the foregoing, the District Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees and expenses specified in the Approved Offer, fees and expenses of the Bank and other retained services, the Bond Counsel fee, the Placement Agent fee, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 11. 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 12. Effective Date. This resolution shall become effective immediately upon its passage and approval.

Adopted this 7<sup>th</sup> day of November 2017.

  
Shawn Mahoney-Commission Chair

  
Margaret O'Harra Buttz-Commission  
Vice Chair

  
Arlene Dannat-Commissioner

  
Tom Marino-Commissioner

\_\_\_\_\_  
Rich Meek-Commissioner

  
Kimberly Kemp-District Secretary

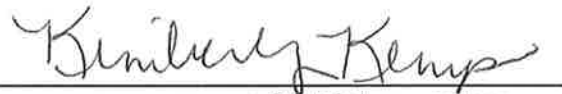
## CERTIFICATE

I, the undersigned, Secretary of the Board of Fire Commissioners of Pierce County Fire Protection District No. 18 (Orting Valley Fire and Rescue), Pierce County, Washington, (the "District") and keeper of the records of the Board of Fire Commissioners (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 2017-015 of the Board (the "Resolution"), duly passed at a regular meeting thereof held on the 7th day of November, 2017.

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 7th day of November, 2017.

  
\_\_\_\_\_  
Kimberly Kemp-District Secretary