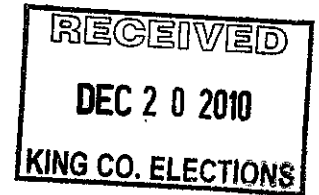


RESOLUTION NO. 220



A resolution of Fire District No. 38, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on February 8, 2011, of a proposition authorizing the District to issue its general obligation bonds, for the purpose of paying for a portion of the costs to construct and equip a fire station, in the principal amount of no more than \$2,975,000 payable by annual property tax levies to be made in excess of regular property tax levies, and to levy those excess property taxes.

WHEREAS, the residents of Fire District No. 38, King County, Washington (the "District") receive fire and emergency medical services through Eastside Fire & Rescue, a joint department that operates under interlocal agreement between the District, the City of North Bend, Washington (the "City"), and certain other cities and fire districts located in the Snoqualmie Valley; and

WHEREAS, the Board of Fire Commissioners of the District (the "Board") has determined that in order to enhance the fire and medical aid response for District residents, it is in the best interest of the District to undertake, in cooperation with the City, the construction of a fire station located in the City and to purchase an interest in City-owned land for the fire station (the "Project Land") (collectively, the "Fire Station Construction Project" or the "Project"); and

WHEREAS, in order to minimize the costs of the Project, the District entered into an interlocal agreement pursuant to chapter 39.34 RCW with the District to share the costs and ownership of the Project (the "Agreement"); and

WHEREAS, the Agreement provides that (i) the total costs of the Fire Station Construction Project to be shared between the District and the City shall not exceed \$5,000,000; (ii) the District shall pay approximately 57% of those costs and the City shall pay approximately 43% of those costs; and (iii) the District shall pay the City approximately \$73,500 to purchase an interest in the Project Land, which amount is in addition to the costs shared between the District and the City; and

WHEREAS, the District does not currently have sufficient funds available to pay the costs of the Project allocated to the District; and

WHEREAS, because the District does not currently have sufficient funds available, the Board wishes to seek voter approval for the issuance and sale of not to exceed \$2,975,000 of general obligation bonds of the District to pay the costs of the Project allocated to the District and the costs of issuance of such bonds, to be repaid by an annual excess property tax levy (the "Bonds"); and

WHEREAS, the constitution and laws of the State of Washington provide that the question of whether or not the District may issue such bonds be submitted to the qualified electors of the District for their ratification or rejection at a special election;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF FIRE DISTRICT NO. 38, KING COUNTY, WASHINGTON, as follows:

Section 1 **Fire Station Construction Project.** The Board finds that, in order to enhance fire and medical aid response to its residents, it is in the best interest of the District to undertake, in cooperation with the City, the construction of a fire station located in the City and to purchase an interest in the Project Land. The Fire Station Construction Project shall be owned and operated as provided in the Agreement and include all necessary equipment and appurtenances, but shall not include the replacement of equipment. The cost of all necessary architectural, engineering, legal and other consulting services, inspection and testing, administrative expenses, site improvement, demolition, on and off-site utilities, related improvements and other costs incurred in connection with the Project shall be deemed a part of the costs of such capital improvements.

The estimated cost of the Fire Station Construction Project allocated to the District under the Agreement and costs of issuing and selling the Bonds authorized by this Resolution, is declared to be approximately \$2,975,000. The economic life of the Project is expected to be at least 20 years.

The Board may modify the details of the foregoing project where necessary or advisable in the judgment of the Board subject to the terms of the Agreement.

Section 2 **Description of Proposed Bonds.** The Bonds may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, as deemed advisable by the Board and as permitted by law. The Bonds shall be fully registered bonds, bearing interest payable as permitted by law, and maturing within 20 years from the date of issue, or within any shorter period fixed by the Board. The Bonds 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. The Bonds shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which such bonds are to be issued. The specific date, form, terms, option of prior redemption, price, interest rate or rates and maturities of the Bonds shall be hereafter fixed by resolution of the Board. Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW or such other obligations as are permitted by law to pay for the costs of the Project allocated to the District. Such obligations and their costs may be paid or refunded with proceeds of the Bonds when issued.

Section 3 **Proceeds of the Bonds.** If available money from the proceeds of the Bonds is more than sufficient to pay the costs of the Project allocated to the District, or if state or local circumstances require any alteration in the Project, the District may acquire, construct, equip and make other capital improvements to the District's facilities, or retire and/or defease a portion of the Bonds, all as the Board may determine and as permitted by law. If the proceeds of the sale of the Bonds and other available money are insufficient to make all of the capital improvements herein provided for, or if it has become impractical to accomplish the Project or portions of the Project, the District may use the proceeds of the Bonds and other available money

for paying the costs of those portions of the Project deemed by the Board to be most necessary and in the best interest of the District.

Section 4 Calling of Election. The Board requests that the Director of Records and Elections of King County, Washington (the “Director of Elections”) call and conduct a special election in the District, in the manner provided by law, to be held therein on February 8, 2011, for the purpose of submitting to the voters of the District, for their approval or rejection, the question of whether or not general obligation bonds of the District shall be issued in the principal amount of not more than \$2,975,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), the proceeds of which shall be expended to pay the costs of the Fire Station Construction Project allocated to the District, and annual excess property taxes shall be levied to pay and retire the Bonds.

If such proposition is approved by the requisite number of voters, the District shall be authorized to issue the Bonds in the manner described in this Resolution, to spend the proceeds thereof to pay the costs of the Fire Station Construction Project allocated to the District and the costs of issuance and sale of such Bonds, and to levy excess property taxes to pay and retire such Bonds. The proceeds of the Bonds shall be used for capital purposes only, which shall not include the replacement of equipment. The issuance of the Bonds under this authorization is conditioned on the approval by the City’s voters, prior to the issuance of the Bonds, of a similar proposition authorizing the City to issue bonds payable by an annual excess property tax levy for the purpose of paying the costs of the Fire Station Construction Project allocated to the City.

Section 5 Ballot Proposition. The Secretary of the Board is authorized and directed to certify, no later than December 23, 2010, to the Director of Elections, as *ex officio* supervisor of elections in the District, a copy of this Resolution and the proposition to be submitted at that election in the form of ballot title prepared by the King County prosecuting attorney pursuant to RCW 29A.36.071, as follows:

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PROPOSITION 1

FIRE DISTRICT NO. 38
FIRE STATION CONSTRUCTION BONDS

The Board of Fire Commissioners of Fire District No. 38, King County, Washington, adopted Resolution No. 220 concerning financing the District's share of a new fire station. If approved, this proposition would authorize issuance of general obligation bonds to purchase property and pay a share of constructing and equipping a fire station with the City of North Bend in an amount not more than \$2.975 million, maturing within 20 years or less, and authorize the annual levy of excess property taxes to pay and retire the bonds, all contingent on the passage of a similar proposition by the City's voters and as provided in Resolution No. 220. Should this proposition be approved?

YES
NO

For purposes of receiving notice of any matters related to the ballot title, as provided in RCW 29A.36.080, the Board hereby designates its bond counsel, Foster Pepper PLLC (Hugh Spitzer, 206-447-8965, spith@foster.com), as the person to whom such notice shall be provided.

Section 6 General Authorization. The proper District officials are authorized to perform such duties as are necessary or required by law to the end that the question of whether or not the Bonds shall be issued and excess taxes necessary to pay and retire the Bonds be levied, all as provided in this Resolution, shall be submitted to the voters of the District at the February 8, 2010 election.

Section 7 Intent to Reimburse. The Board declares that to the extent that the District makes capital expenditures for the Project, prior to the date the Bonds or other short-term obligations are issued to finance the Project, from funds that are not (and are 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 finance the Project, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short-term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this Resolution.

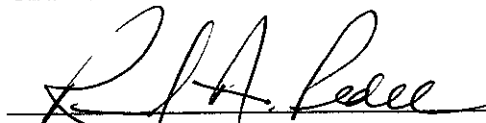
Section 8 Severability. If any provision of this Resolution is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be severable from the remaining provisions of this Resolution, and shall in no way affect the validity of the other provisions of this Resolution or of any other Resolution or resolution or of the Bonds.

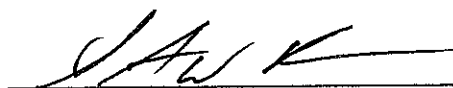
Section 9 Effective Date. This resolution shall be effective immediately after its adoption in the manner provided by law.

Section 10 Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this resolution is hereby ratified, approved and confirmed.

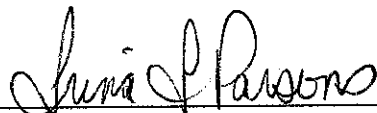
Adopted by the Board of Fire Commissioners of Fire District No. 38, King County, Washington, at a regular open meeting thereof, this 7th day of December, 2010.


Chairman and Commissioner


Commissioner


Commissioner

ATTEST:


Secretary of the District

CERTIFICATION

I, the undersigned, Secretary of Fire District No. 38, King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 220 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Fire Commissioners (the "Board") of the District held at the regular meeting place thereof on December 7, 2010, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of December, 2010.

FIRE DISTRICT NO. 38,
KING COUNTY, WASHINGTON


Secretary of the District