



KING COUNTY FIRE PROTECTION DISTRICT NO.16

7220 NE 181st Street
KENMORE, WA 98028

BUSINESS: 425-354-1780 FAX: 425-354-1781

RESOLUTION NO. 19-02

A Resolution of the Board of Fire Commissioners of King County Fire Protection District No. 16, King County, Washington, providing for the sale and issuance of the District's unlimited tax general obligation refunding bonds in an original aggregate principal amount not to exceed \$12,300,000 to refund and defease all or a portion of the District's outstanding Unlimited Tax General Obligation Bonds, 2009; providing for the date, form, registration, maturity, interest rate, terms and covenants of such refunding bonds; and providing for the negotiated sale and delivery of such bonds to D.A. Davidson & Co., Seattle, Washington.

WHEREAS, pursuant to Resolution Nos. 09-03 and 09-07, King County Fire Protection District No. 16, King County, Washington (the "District"), has previously issued its Unlimited Tax General Obligation Bonds, 2009 (the "2009 Bonds"), of which \$11,785,000 are currently outstanding; and

WHEREAS, pursuant to Resolution Nos. 09-03 and 09-07, the District reserved the right to refund and defease all or a portion of the 2009 Bonds pursuant to a refunding plan; and

WHEREAS, the refunding and defeasance of the 2009 Bonds maturing on December 1 in the years 2020 through 2027, inclusive (the "2020-2027 Callable 2009 Bonds") will provide a debt service savings to the District; and

WHEREAS, the refunding and defeasance of the 2009 Bonds maturing on December 1, 2019 (the "2019 Callable 2009 Bonds" and, together with the 2020-2027 Callable 2009 Bonds, the "Callable 2009 Bonds") may provide a debt service savings to the District; and

WHEREAS, pursuant to chapter 39.53 RCW, the District is authorized to sell and issue, without an election, unlimited tax general obligation refunding bonds to refund the Callable 2009 Bonds; and

WHEREAS, the Board of Fire Commissioners (the "Board") of the District deems it to be in the best interests of the District and its residents to issue and sell unlimited tax general obligation refunding bonds of the District for the purpose of obtaining the funds necessary to pay the costs of refunding and defeasing all or a portion of the Callable 2009 Bonds and the incidental costs and costs related to the sale and issuance of such refunding bonds; and

WHEREAS, the Board deems it to be in the best interest of the District that the District negotiate the sale of such bonds to D.A. Davidson & Co. (the "Purchaser"), by way of a Purchase Agreement (the "Purchase Agreement"), to be dated the date of sale, by and between the District and the Purchaser, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF KING COUNTY FIRE PROTECTION DISTRICT NO. 16, AS FOLLOWS:

Section 1. Findings. The Board hereby finds that the issuance and sale of its "Unlimited Tax General Obligation Refunding Bonds, 2019" (the "Bonds") to obtain the funds necessary to pay the costs of refunding and defeasing all or a portion of the Callable 2009 Bonds, to be established pursuant to the Purchase Agreement as provided in Section 12 hereto, and the incidental costs and costs related to the sale and issuance of the Bonds (the "Refunding Plan") will effect a debt service savings to the District, and is in the best interests of the District and its residents.

Section 2. Authorization, Purpose and Description of Bonds. The District hereby authorizes the issuance and sale of the Bonds to obtain the funds necessary for the Refunding Plan.

The Bonds shall be issued in an original aggregate principal amount not to exceed \$12,300,000. The Bonds shall be dated their date of initial issuance and delivery (the "Date of Issue"), shall mature on June 1 or December 1 in each of the years and in the principal amounts, shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, at the rates and payable, commencing not later than December 1, 2019, and on June 1 and December 1 in such years, shall be subject to optional and mandatory redemption prior to maturity at the prices, in the amounts and in the manner, and shall be subject to such other terms and provisions as the District shall establish by the Purchase Agreement. The Bonds shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent more than one maturity), and shall be numbered separately in such manner and with any additional designation as the fiscal agency of the State of Washington (the "State"), currently U.S. Bank National Association (or such other fiscal agency or agencies as the Director of the Finance and Business Operations Division of the Department of Executive Services of King County, Washington, as *ex officio* treasurer of the District (the "Treasurer"), may from time to time designate) (the "Registrar") deems necessary for purposes of identification.

On the Date of Issue, all Bonds maturing in the same maturity year and bearing the same initial CUSIP number shall be issued in the form of a single certificate, which certificate shall be registered in the name of The Depository Trust Company, New York, New York, or any successor thereto engaged to operate a book-entry system for recording the beneficial ownership of the Bonds, as Custodian (the "Custodian"), or its nominee, and delivered to the Custodian. The Custodian shall hold each such Bond certificate in fully immobilized form for the benefit of

the beneficial owners of the Bonds (the "Beneficial Owners") pursuant to the Issuer Letter of Representations (the "Letter of Representations"), from the District to the Custodian pertaining to the payment of the Bonds and the book-entry system, until the earliest to occur of either (1) the date of maturity of the Bonds evidenced by such certificate, at which time the Custodian shall surrender such certificate to the Registrar for payment of the principal of and interest on such Bonds coming due on such date, and the cancellation thereof; (2) the fifth business day following the date of receipt by the Registrar of the District's request to terminate the book-entry system of registering the beneficial ownership of the Bonds (the "Book-Entry Termination Date"); or (3) the date the District determines to utilize a new Custodian for the Bonds, at which time the old Custodian shall (provided the District is not then in default of any payment then due on the outstanding Bonds) surrender the immobilized certificates to the Registrar for transfer to the new Custodian and cancellation as herein provided.

For so long as any outstanding Bonds are registered in the name of the Custodian or its nominee and held by the Custodian in fully immobilized form as described in this Section 2, the rights of the Beneficial Owners shall be evidenced solely by an electronic and/or manual entry made from time to time on the records established and maintained by the Custodian in accordance with the Letter of Representations, and no certificates evidencing such Bonds shall be issued and registered in the name of any Beneficial Owner or such Beneficial Owner's nominee.

The District may terminate the "book-entry" system of registering ownership of the Bonds at any time (provided the District is not then in default of any payment then due on the outstanding Bonds) by delivering to the Registrar: (a) a written request that it issue and deliver Bond certificates to each Beneficial Owner or such Beneficial Owner's nominee on the Book-Entry Termination Date; (b) a list identifying the Beneficial Owners as to both name and address; and (c) a supply of Bond certificates, if necessary for such purpose. Upon surrender to the Registrar of the immobilized certificates evidencing all of the then outstanding Bonds, the Registrar shall issue and deliver new certificates to each Beneficial Owner or such Beneficial Owner's duly appointed agent, naming such Beneficial Owner or such Beneficial Owner's nominee as the Owner (hereinafter defined) thereof. Such certificates may be in any integral multiple of \$5,000 within a single maturity. Following such issuance, the Owners (hereinafter defined) of such Bonds may transfer and exchange such Bonds in accordance with Section 9 hereof.

Neither the District nor the Registrar shall have at any time any responsibility or liability to any Beneficial Owner of any Bonds or to any other person for any error, omission, action or failure to act on the part of the Custodian with respect to payment, when due, to the Beneficial Owner of the principal and interest on the Bonds, proper recording of beneficial ownership of Bonds, proper transfers of such beneficial ownership, or any notices to Beneficial Owners or any other matter pertaining to the Bonds.

Section 3. Place, Manner and Medium of Payment. Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Prior to the Book-Entry Termination Date, the principal of and interest on the Bonds shall be paid by the Registrar to the Custodian as the Owner thereof, for the benefit of the Beneficial Owners thereof,

in accordance with the Letter of Representations. From and after the Book-Entry Termination Date, interest on the Bonds shall be paid by check or draft mailed by the Registrar on or before the interest payment date, to the persons who are named as the registered owners of the Bonds (each an "Owner" and, collectively, the "Owners") on the registration books for the Bonds (the "Bond Register") maintained by the Registrar, at the addresses for such Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or, if requested in writing by an Owner of \$1,000,000 or more in principal amount of Bonds at least ten days before an interest payment date, by wire transfer to an account within the United States. From and after the Book-Entry Termination Date, principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the Owners at the principal corporate trust office of the Registrar.

Section 4. Purchase and Cancellation of Bonds. The District reserves the right and option to purchase any or all of the Bonds from any willing Owner(s) at any time and at any price. All Bonds so purchased shall be surrendered to the Registrar for cancellation.

Section 5. Pledge of Full Faith, Credit and Resources. The Bonds are unlimited tax general obligations of the District. The District hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, so long as the Bonds are outstanding, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the District subject to taxation in amounts sufficient, together with any other money legally available and to be used for such purpose, to pay the principal of and interest on the Bonds as the same shall become due. The District hereby irrevocably pledges its full faith, credit and resources to the annual levy and collection of such taxes and for the prompt payment of the principal and interest on the Bonds as the same shall become due.

Section 6. Debt Limit Not Exceeded. The Board finds and covenants on behalf of the District that the Bonds are issued within the applicable constitutional and statutory limitations on District indebtedness.

Section 7. Form and Execution of Bonds. The Bonds shall be word-processed, printed or lithographed on good bond paper in a form consistent with this Resolution and State law.

The Bonds shall be signed on behalf of the District with the facsimile or manual signatures of the Chair of the Board and the Secretary of the District. At the option of the District, the seal of the District may be printed or impressed on each Bond, but the failure to do so shall not affect the validity of any Bond.

In case either or both of the officers who shall have executed any Bond shall cease to be such officer or officers of the District before the Bond so signed shall have been authenticated or delivered by the Registrar or issued by the District, such Bond nevertheless may 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. Any Bond also may be signed and attested on behalf of the District by such persons as

at the actual date of execution of such Bond shall be the proper officers of the District although at the original date of such Bond such persons were not such officers of the District.

Section 8. Authentication and Delivery of Bonds by Registrar. The Registrar is authorized and directed, on behalf of the District, to authenticate and deliver the Bonds initially issued or transferred or exchanged in accordance with the provisions of such Bonds and this Resolution.

Only such Bonds as shall bear thereon a "Certificate of Authentication" manually executed by an authorized signatory of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

The Registrar shall be responsible for the representations contained in the Certificate of Authentication on the Bonds.

Section 9. Registration, Transfer and Exchange. The District covenants that, until all Bonds shall have been surrendered and cancelled, it will cause the Registrar to maintain a system of recording the ownership of each Bond that complies with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). To that end, the Registrar shall keep, or cause to be kept, at the principal corporate trust office of the Registrar, the Bond Register.

The District and the Registrar, each in its discretion, may deem and treat the Owner(s) of each Bond as the absolute owner thereof for all purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as provided in Section 3 hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 3 hereof shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the amount or amounts so paid.

The registered ownership of any Bond may be transferred or exchanged. Prior to the Book-Entry Termination Date, the beneficial ownership of the Bonds may only be transferred on the records established and maintained by the Custodian. On and after the Book-Entry Termination Date, no transfer of any Bond shall be valid unless it is surrendered at the principal corporate trust office of the Registrar, with the assignment form appearing on such Bond duly executed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar, duly executed by, the Owner or such Owner's duly authorized agent, in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Owner or transferee therefor (other than any governmental fees or taxes payable on account of such transfer), a new Bond or Bonds (at the option of the new Owner) of the same maturity and interest rate, for the same aggregate principal amount, and in any authorized denomination, naming as new Owner the person or persons identified as the assignee or transferee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. On and after the Book-

Entry Termination Date, any Bond may be surrendered at the principal corporate trust office of the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to transfer the Bonds during the 15 days preceding any applicable interest or principal payment or redemption date.

The Registrar may become the Owner of any Bond with the same rights it would have if it were not the Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the Bonds.

Section 10. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond in the principal amount remaining to maturity and of like tenor and effect in substitution therefor, all in accordance with applicable law. If such mutilated, lost, stolen or destroyed Bond has matured, the District may, at its option, pay the same without the surrender thereof. However, no such substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Registrar of the destruction or loss of the original Bond and of the ownership thereof, and (b) such additional security, indemnity or evidence as may be required by or on behalf of the District. No substitute Bond shall be furnished unless the applicant shall reimburse the District and the Registrar for their respective expenses in the furnishing thereof. Any such substitute Bond so furnished shall be equally and proportionately entitled to the security of this Resolution with any other Bond issued hereunder.

Section 11. Defeasance. The District may, at any time, defease all or a portion of the Bonds (the "Defeased Bonds"), as follows: if money and/or "government obligations," as such obligations are defined in chapter 39.53 RCW, as now in existence of hereafter amended ("Government Obligations"), maturing at such times and bearing such interest as will provide, without any reinvestment, amounts sufficient to repay, redeem or retire the Defeased Bonds in accordance with their terms are set aside in a special trust fund or escrow account (the "Escrow Account") pledged irrevocably to the repayment, redemption or retirement of the Defeased Bonds, 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. The Owners of the Defeased Bonds shall have the right to receive payment of the principal of and interest on the Defeased Bonds only from the Escrow Account. The Defeased Bonds shall no longer be deemed to be outstanding, and the District may apply any money in any other fund or account established for the payment or redemption of the Defeased Bonds to any lawful purposes as it shall determine.

Section 12. Sale of Bonds. The Board authorizes any of the Chair of the Board, the Fire Chief or the Deputy Fire Chief of the District (each, an "Authorized Officer" and together, the "Authorized Officers"), acting alone not together, (i) to serve as the District's designated representative to negotiate the sale of the Bonds to the Purchaser; (ii) to accept, on behalf of the District, the offer to purchase the Bonds pursuant to the Purchase Agreement, which offer must be consistent with the terms of this Resolution; and (iii) to execute and deliver such Purchase

Agreement for and on behalf of the District. All of the Bonds shall be sold at the same time pursuant to the Purchase Agreement, which shall establish the aggregate principal amount, interest payment dates, interest rate(s), redemption provisions and delivery date of the Bonds; provided, that:

- (a) The original aggregate principal amount of the Bonds shall not exceed \$12,300,000;
- (b) One or more rates of interest may be fixed for the Bonds, which rate(s) must be in multiples of 1/8th or 1/20th of 1% or both, and no rate of interest for any maturity of the Bonds shall exceed 5.00%;
- (c) The true interest cost to the District for the Bonds shall not exceed 3.10%;
- (d) The purchase price for the Bonds shall not be less than 95.00% nor greater than 125.00% of the initial aggregate principal amount of the Bonds;
- (e) The Bonds may be issued subject to provisions for optional redemption prior to maturity at a price of par, plus accrued interest, if any, commencing not later than 7.5 years following the Date of Issue;
- (f) The Bonds may be issued subject to provisions for mandatory redemption prior to maturity, including designation of term bonds, if any, at a price of par;
- (g) The final maturity date of the Bonds shall not be later than December 1, 2027;
- (h) The Date of Issue of the Bonds shall not be later than December 31, 2019;
- (i) The Purchase Agreement shall establish whether the 2019 Callable 2009 Bonds will be refunded and defeased by the Bonds based upon whether including them in the Refunding Plan will provide debt service savings to the District and doing so will permit the Bonds to meet all of the other parameters set forth in this Section 12; and
- (j) The issuance and sale of the Bonds will result in a net present value savings to the District of not less than 3.00% of the outstanding principal amount of the Callable 2009 Bonds actually included in the Refunding Plan (the "Refunded Bonds").

Section 13. Delivery of Bonds; Temporary Bonds. The Bonds will be prepared at District expense and will be delivered to the Purchaser in accordance with the Purchase Agreement, together with the approving legal opinion of Hillis Clark Martin & Peterson P.S., bond counsel, Seattle, Washington, relative to the issuance of the Bonds. Bond counsel has not been retained to monitor, and shall not be responsible for monitoring, the District's compliance with any federal law or regulations to maintain the tax-exempt status of the interest on the Bonds.

If definitive Bonds are not ready for delivery by the date established for closing (the "Closing"), the Authorized Officers, acting alone or together, upon the approval of the Purchaser,

may cause to be issued and delivered to the Purchaser temporary Bonds with appropriate omissions, changes and additions. Any temporary Bonds shall be entitled and subject to the same benefits and provisions of this Resolution with respect to the payment, security and obligation thereof as the definitive Bonds authorized hereby. Such temporary Bonds shall be exchangeable without cost to the Owners thereof for the definitive Bonds when the latter are ready for delivery.

The Authorized Officers, acting alone or together, are authorized and directed to approve and/or execute, as appropriate, all documents, including, but not limited to, the final official statement pertaining to the Bonds, and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds, and the printing or preparation, execution and delivery of the definitive Bonds to the Purchaser, each without unreasonable delay.

Section 14. Conditional Call of Refunded Bonds for Redemption. The District hereby conditionally calls the Refunded Bonds for redemption on July 5, 2019 (the "Refunded Bond Redemption Date"), at the redemption price of par plus accrued interest to the Refunded Bond Redemption Date. Such call for redemption shall become irrevocable only after the delivery of the Escrow Obligations (hereinafter defined) to the Escrow Agent (hereinafter defined) at Closing; otherwise, this call of the Refunded Bonds for redemption shall be hereby automatically revoked and shall be null and void.

Section 15. Acquisition of Escrow Obligations. The Authorized Officers, acting alone or together, shall undertake or cause to be undertaken the following with respect to the Government Obligations to be acquired pursuant to the Refunding Plan (the "Escrow Obligations") as described in the Escrow Agreement (the "Escrow Agreement"), between the District and U.S. Bank National Association, as escrow agent (the "Escrow Agent"), in substantially the form attached hereto as Exhibit A and incorporated herein by this reference:

- (a) At or prior to Closing, appropriate arrangements shall be made for the payment for and delivery of any Escrow Obligations as will be purchased in the open market; and
- (b) Prior to Closing, subscriptions shall be filed timely for any Escrow Obligations as will be acquired from the United States Bureau of Public Debt.

The maturing principal of and the interest on all such Escrow Obligations, together with any initial cash to be provided to the Escrow Agent pursuant to the Refunding Plan, shall be sufficient to pay all of the interest on the Refunded Bonds that will become due and payable from Closing to and excluding the Refunded Bond Redemption Date, and the redemption price of the Refunded Bonds payable on the Refunded Bond Redemption Date.

The Escrow Agent shall designate in any such subscriptions that all the principal of and interest on the Escrow Obligations subscribed for with the United States Bureau of Public Debt shall be payable to the Escrow Agent. Such subscriptions may be amended as permitted by federal law.

Section 16. Verification of Sufficiency of Escrow. The Authorized Officers, acting alone or together, are authorized and directed to obtain, prior to Closing, verification from the Purchaser, that, among other things, the cash flow scheduled to be received from the Escrow Obligations, together with any uninvested initial cash, shall be sufficient to make the payments described in Section 15 hereof.

Section 17. Escrow Agreement. The Escrow Agreement is hereby approved. The Authorized Officers, acting alone or together, are hereby authorized and directed to (a) execute and deliver the Escrow Agreement, on behalf of the District, to the Escrow Agent on or before Closing, with such changes as the signer deems to be in the best interests of the District; and such execution and delivery of the Escrow Agreement shall evidence irrevocably the approval of the executed Escrow Agreement by the District; and (b) cause the Escrow Agent to deliver notices of defeasance and redemption of the Refunded Bonds in accordance with the Escrow Agreement.

Section 18. Application of Bond Proceeds. The proceeds from the sale of the Bonds shall be paid to the Escrow Agent and applied as set forth in the Escrow Agreement.

Section 19. Tax Exemption. The District covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation, and will take or require to be taken such acts as may be permitted by, and as may from time to time be required under, applicable law to continue the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. Without limiting the generality of the foregoing, the District will not invest or make or permit any use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds which will cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

The District further covenants that, if the District all the proceeds of the Bonds do not otherwise qualify for a spending exception from arbitrage rebate, the District shall calculate or cause to be calculated, and shall rebate to the United States, all earnings from the investment of Bond proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the Bonds, plus income derived from such excess earnings, to the extent and in the manner required by Section 148 of the Code.

The District has not been notified of any listing or proposed listing by the Internal Revenue Service (the "IRS") to the effect that the District is a bond issuer the arbitrage certifications of which may not be relied upon.

The District will take no actions and will make no use of the proceeds of the Bonds or any other funds held under this Resolution which would cause any Bond to be treated as a "private activity bond" (as defined in Section 141(b) of the Code) subject to treatment under said Section 141(b) as an obligation not described in Section 103(a) of the Code, unless the tax exemption thereof is not affected.

Section 20. Preliminary Official Statement Declaration. The Board hereby authorizes and directs the Authorized Officers, acting alone or together, to cause a preliminary official statement pertaining to the Bonds to be prepared and distributed in electronic and/or printed form to prospective purchasers of the Bonds and others, and to deem such preliminary official statement final, on behalf of the District, for purposes of the Purchaser's compliance with Section (b)(1) of the United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"). The Board hereby authorizes and directs the Authorized Officers, acting alone or together, to review and approve, on behalf of the District, a final official statement pertaining to the Bonds in substantially the form of the preliminary official statement, with such changes, if any, as may be deemed by him to be appropriate, and to approve the distribution of the final official statement in electronic and/or printed form in connection with the offer and sale of the Bonds.

Section 21. Undertaking to Provide Continuing Disclosure. This section constitutes the District's written undertaking for the benefit of the Owners and Beneficial Owners of the Bonds required by subsection (d)(2)(ii) of the Rule (the "Undertaking").

The District hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") the following annual financial information and operating data (collectively, the "Annual Financial Information"), for each prior fiscal year, commencing with the fiscal year ending December 31, 2018, on or before the 15th day of the seventh month following the end of such prior fiscal year:

(a) Financial statements prepared in accordance with the generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law; which statements will not be audited, except that if and when audited financial statements are otherwise prepared and available to the District, they will be provided; and

(b) Other operating data customarily prepared by the District, including the following:

- (i) The assessed valuation of taxable property in the District;
- (ii) *Ad valorem* taxes due and the percentages of taxes collected;
- (iii) Property tax levy rates per \$1,000 assessed valuation; and

(iv) A statement of authorized, issued and outstanding indebtedness of the District.

In its provision of such Annual Financial Information, the District may cross-reference to any "final official statement" (as defined in the Rule) available to the public on the MSRB's internet web site or filed with the SEC.

The District further agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice 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 IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of the Owners of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
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;
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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For purposes of the rule and the Undertaking, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the rule.

Solely for purposes of disclosure, and not intending to modify the Undertaking, the county advises with reference to items 3, 10 and 14 above that no debt service reserves secure payment of the Bonds, no property secures repayment of the Bonds, and there is no trustee for the Bonds.

The District agrees that all documents provided to the MSRB pursuant to this Undertaking shall be provided in an electronic format and accompanied by such identifying information, each as prescribed by the MSRB.

The District may amend its obligations under, or waive any provision of, this Undertaking upon receipt of a favorable opinion of nationally recognized bond counsel or other counsel familiar with the federal securities law, or pursuant to a favorable “no-action letter” issued by the SEC. In the event of any amendment or waiver of the District’s obligations under this Undertaking, the District agrees to describe such amendment in the Annual Financial Information for such fiscal year and shall include, as applicable, a narrative explanation of the reason for such amendment or waiver and its impact of the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change will be given in the same manner as for the notice events set forth above, and (B) the Annual Financial Information for the fiscal year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

The District’s obligations to provide Annual Financial Information and notices of certain events shall terminate without amendment upon the defeasance, prior redemption or payment in full of all of the then outstanding Bonds. This Undertaking or any provision hereof, shall be null and void if the District (i) obtains an opinion of nationally recognized bond counsel or other counsel familiar with the federal securities laws to the effect that those portions of the Rule which require this Undertaking or any such provision are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies and provides the MSRB with copies of such opinion.

The right of each Owner and Beneficial Owner of Bonds to enforce the provisions of this Undertaking shall be limited to the right to obtain specific enforcement of the District’s

obligations under this Undertaking, and any failure by the District to comply with the provisions of this Undertaking shall not be a default with respect to the Bonds under this Resolution.

The Authorized Officers, acting alone or together, are authorized and directed to take such further action on behalf of the District as may be necessary, appropriate or convenient to carry out the requirements of this Undertaking, including requesting the assistance of the Treasurer and the King County Assessor.

Section 22. Contract; Severability. The covenants contained in this Resolution and in the Bonds shall constitute a contract between the District and the Owners of the Bonds. The District unconditionally covenants that it will keep and perform all of the covenants of the Bonds and this Resolution. 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 and after final appeal (if any appeal be taken) 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 in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.


Section 23. Immediate Effect. This Resolution shall take effect immediately upon its adoption.

PASSED by the Board of Fire Commissioners of King County Fire Protection District No. 16, at a regular, open public meeting thereof, notice of which was given to the extent required by law, this 16th day of April, 2019.

BOARD OF FIRE COMMISSIONERS,
KING COUNTY FIRE PROTECTION DISTRICT NO. 16
KING COUNTY, WASHINGTON


SUZANNE GREATHOUSE, Chair


RON GEHRKE, Member


DON ELLIS, Member


RICK VERLINDA, Member


DAVID MAEHREN, Member

ATTEST:



KATE HANSEN, Secretary

Board of Commissioners

EXHIBIT A

Form of Escrow Agreement

[Attached]

ESCROW AGREEMENT

This ESCROW AGREEMENT, dated _____, 2019, is made by and between KING COUNTY FIRE PROTECTION DISTRICT NO. 16, KING COUNTY, WASHINGTON (the "District"), a municipal corporation duly organized and existing pursuant to the laws of the State of Washington, and U.S. BANK NATIONAL ASSOCIATION, as escrow agent hereunder (the "Escrow Agent").

RECITALS

WHEREAS, pursuant to Resolution Nos. 09-03 and 09-07, the District has previously issued its Unlimited Tax General Obligation Bonds, 2009 (the "2009 Bonds"), of which \$11,785,000 are currently outstanding; and

WHEREAS, pursuant to Resolution Nos. 09-03 and 09-07, the District reserved the right to refund and defease all or a portion of the 2009 Bonds pursuant to a refunding plan; and

WHEREAS, the refunding and defeasance of the 2009 Bonds that are more particularly described in Exhibit A attached hereto and made a part hereof by this reference (the "Refunded Bonds"), will effect a debt service savings to the District; and

WHEREAS, pursuant to chapter 39.53 RCW, the District is authorized to sell and issue, without an election, unlimited tax general obligation refunding bonds to refund the Refunded Bonds; and

WHEREAS, pursuant to Resolution No. 19-__ (the "Bond Resolution"), the District has authorized (a) the issuance and sale of \$_____ in aggregate principal amount of its Unlimited Tax General Obligation Refunding Bonds, 2019 (the "Bonds") to obtain the funds necessary to pay the costs of refunding and defeasing the Refunded Bonds and the incidental costs and costs related to the sale and issuance of the Bonds (the "Refunding Plan"), and (b) the execution, performance and delivery of this Escrow Agreement; and

WHEREAS, the Refunding Plan shall consist of the following:

(a) The irrevocable call of the Refunded Bonds for redemption on July 5, 2019 (the "Refunded Bond Redemption Date"), at a redemption price of par plus accrued interest to the Refunded Bond Redemption Date;

(b) The payment to the Escrow Agent on this date (the "Date of Issue") by (1) D.A. Davidson & Co., as the initial purchaser of the Bonds (the "Purchaser"), on behalf of the District, of the sum of \$_____, derived solely from net proceeds of sale of the Bonds and (2) the Director of the Finance and Business Operations Division of the Department of Executive Services of King County, Washington, ex officio treasurer of the District (the "Treasurer"), on behalf of the District, of the sum of \$_____ derived from money on deposit in the District's General Obligation Bond Fund (the "Bond Fund");

(c) The purchase by the Escrow Agent, with a portion of the funds delivered to the Escrow Agent as described in clause (b) above, of the noncallable "government obligations," as such obligations are defined in chapter 39.53 RCW, as now in existence of hereafter amended ("Government Obligations"), listed in Exhibit B-1 attached hereto pursuant to the subscriptions attached as Exhibit B-2 hereto, each made a part hereof by this reference (the "Escrow Obligations"), which obligations bear interest and mature as to principal in such amounts and at such times as, together with the Initial Cash (hereinafter defined), will be sufficient to provide for the payment of (1) all of the interest coming due on the Refunded Bonds from the Date of Issue to and excluding the Refunded Bond Redemption Date, if any, and (2) the redemption price for the Refunded Bonds payable on the Refunded Bond Redemption Date (collectively, the "Escrow Payments");

(d) The receipt by the Escrow Agent of the maturing installments of principal of and interest on the Escrow Obligations;

(e) The Escrow Agent's payment to the fiscal agent of the State of Washington, acting as registrar for the Refunded Bonds (the "Refunded Bond Registrar"), of money sufficient to pay, when due, the Escrow Payments;

(f) The Escrow Agent's payment, on behalf of the District, of costs of issuance and other incidental costs in connection with the Bonds, including the costs more particularly described in Exhibit C attached hereto and incorporated herein by this reference (the "Issuance Costs"); and

(g) The delivery of numerical calculations prepared by the Purchaser attached as Exhibit D hereto and made a part hereof by this reference (the "Verification"), verifying the mathematical accuracy of computations of the yield on the Bonds, the Refunded Bonds and the Escrow Obligations, and the computations showing that the Initial Cash and the maturing principal of and interest on the Escrow Obligations will provide sufficient money (assuming that all the principal of and the interest on the Escrow Obligations is paid on the due dates thereof) to make the Escrow Payments, when due; and

WHEREAS, the Escrow Agent has duly and validly accepted the trust created by this Escrow Agreement and the performance of its obligations hereunder;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, for the benefit of the registered owners of the Refunded Bonds, the parties hereto covenant as follows:

Section 1. Definitions in Bond Resolution Applicable. Unless the context otherwise requires, the terms defined in the Bond Resolution and in the recitals and the succeeding sections of this Escrow Agreement shall, for all purposes of this Escrow Agreement (including the recitals hereto), be incorporated herein and made a part hereof by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined.

Section 2. Creation of Escrow Fund. The Escrow Agent shall create a trust fund in escrow (the "Escrow Fund") under this Escrow Agreement into which shall be irrevocably deposited the Escrow Obligations, the Initial Cash, any Substitute Obligations (hereinafter defined) and any other funds provided to the Escrow Agent hereunder for use in the refunding of the Refunded Bonds; provided, that none of the funds provided to the Escrow Agent for the payment of Issuance Costs shall be commingled with or deposited into the Escrow Fund.

Section 3. Delivery of Money to Escrow Agent. On the Date of Issue, the District shall cause (a) the Purchaser to pay to the Escrow Agent the sum of \$ _____, derived solely from net proceeds of sale of the Bonds and (b) the Treasurer to pay to the Escrow Agent the sum of \$ _____, derived solely from money on deposit in the Bond Fund. Execution of this Escrow Agreement by the Escrow Agent shall constitute written acknowledgment by the Escrow Agent of its receipt of the total sum of \$ _____.

Section 4. Application of Money. On the Date of Issue, the Escrow Agent shall:

(a) Apply the sum of \$ _____, derived from (1) \$ _____ in net proceeds of sale of the Bonds and (2) \$ _____ of the District funds transferred from the Bond Fund, to the payment of the purchase price of the Escrow Obligations, in the principal amounts, with the dates of maturities and at the interest rates set forth in Exhibit B-1 hereto. Upon receipt of the Escrow Obligations, the Escrow Agent shall deliver to the District and to Hillis Clark Martin & Peterson P.S. ("Bond Counsel") copies of the documents evidencing the purchase of and payment for the Escrow Obligations; provided, that the District reserves the right to cause to be substituted for a temporary period until receipt of the Escrow Obligations, prior to the Date of Issue, other noncallable direct United States obligations or cash for any of the Escrow Obligations if, in the opinion of Bond Counsel, the interest on the Bonds will remain excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and such substitution shall not impair the timely payment of the amounts required to be paid under the Refunding Plan, which opinion may be conditioned upon verification from independent third parties, in the discretion of Bond Counsel;

(b) Hold the sum of \$ _____, derived entirely from the net proceeds of sale of the Bonds, as the "Initial Cash," uninvested until application of the same to meet the Escrow Payments; and

(c) Apply the remainder of the money paid to the Escrow Agent as described in Section 3 hereof, totaling \$ _____, also derived entirely from the net proceeds of sale of the Bonds, to the payment of the Issuance Costs.

Section 5. Sufficiency of Escrow Obligations. On the basis of the Verification, the District represents that the Escrow Obligations, and the maturing principal thereof and the interest thereon, if paid when due, together with the Initial Cash, shall be sufficient to make the Escrow Payments, when due.

Section 6. Collection of Proceeds of Obligations and Application of Such Proceeds and Money. The Escrow Agent shall present for payment, and shall collect and receive, on the due dates thereof, the maturing installments of principal of and the interest on the Escrow Obligations and any Substitute Obligations. From such proceeds and other money in the Escrow Fund, the Escrow Agent shall, to the extent sufficient funds are in its possession, make timely payment to the Refunded Bond Registrar of the amounts necessary to make the Escrow Payments, when due. Said payments shall be made by check, wire transfer or such other method of transfer of funds as shall be mutually agreed from time to time by the Escrow Agent and the Refunded Bond Registrar.

Section 7. All Securities and Money and Proceeds Thereof Held in Trust. The District hereby irrevocably conveys, transfers and assigns to the Escrow Agent, in trust, the Escrow Obligations and the Substitute Obligations, if any, the proceeds thereof and thereon, and the Initial Cash, and any substitutions or reinvestments thereof made pursuant to Sections 9 and 10 hereof; and the Escrow Agent hereby irrevocably agrees to hold the same in the Escrow Fund, together with any other money deposited therein that the Escrow Agent may receive pursuant to this Escrow Agreement, in the Escrow Fund, in trust and separate from all other funds and investments held by the Escrow Agent, solely for the purpose of making the Escrow Payments and payments described in Sections 4, 11 and 14 hereof. The Escrow Agent shall not sell, transfer, assign or hypothecate any portion of the Escrow Fund except pursuant to Sections 9, 10, 11 and 14 hereof.

Section 8. Reports and Notice of Insufficiency. For as long as any part of the principal of or the interest on the Refunded Bonds has not been paid, within 35 business days following the date scheduled for payment of any debt service thereon, the Escrow Agent shall render reports to the District setting forth the activity since the date of the last debt service payment concerning the Escrow Obligations or any Substitute Obligations, the maturation of such Escrow Obligations or Substitute Obligations and amounts received by the Escrow Agent by reason of such maturity, the interest earned on such Escrow Obligations or Substitute Obligations, a list of any investments or reinvestments made by the Escrow Agent in other such Escrow Obligations or Substitute Obligations and the interest and/or principal derived therefrom, the sums paid to the Refunded Bond Registrar, and any other transactions of the Escrow Agent pertaining to its duties and obligations as set forth herein.

In the event the maturing principal of and interest on the Escrow Obligations and the Substitute Obligations and money in the Escrow Fund shall be insufficient at any time in the future to make any Escrow Payment, the Escrow Agent shall give the District prompt written notice of such projected insufficiency. Such notice shall be accompanied by a written request directed to the District that the District deposit with the Escrow Agent, sums sufficient to make up the insufficiency. Any such written request need be based only on the activity reports delivered pursuant to this Section 8. The District agrees to make such deposit promptly.

Section 9. Substitute Obligations. The District reserves the right, from time to time and at any time, to substitute for the Escrow Obligations initially purchased in accordance with Section 4 hereof, other noncallable Government Obligations (the "Substitute Obligations");

provided, however, that prior to effecting any such substitution, the District shall have delivered to the Escrow Agent:

(a) A verification report addressed to the District and the Escrow Agent by a verification agent acceptable to both the District and the Escrow Agent verifying the computations which indicate that the Escrow Obligations, the Substitute Obligations, and other money to be held by the Escrow Agent after the proposed substitution for purposes of making the Escrow Payments will be adequate to make all the Escrow Payments; and

(b) An opinion of Bond Counsel addressed to the District and the Escrow Agent to the effect that such substitution is of securities which may be deposited with the Escrow Agent to accomplish the defeasance of the Refunded Bonds in accordance with Resolution Nos. 09-03 and 09-07 of the District and that such substitution will not cause the interest on the Refunded Bonds or the Bonds to be included in gross income for purposes of federal income taxation.

Section 10. Reinvestment of Proceeds of Escrow Obligations and Substitute Obligations.

(a) The proceeds (principal and interest) and reinvestment proceeds of any Substitute Obligations purchased by the Escrow Agent in accordance with this Escrow Agreement shall be reinvested by the Escrow Agent in other Substitute Obligations on the date of receipt, provided that:

(1) The District shall have directed the Escrow Agent in writing to make such reinvestment;

(2) Such proceeds shall be reinvested in noncallable Government Obligations;

(3) The Substitute Obligations in which such proceeds are reinvested shall mature on the date(s) directed by the District, but not later than the dates the principal thereof is needed to make one or more of the Escrow Payments;

(4) Taking into account payments on the Substitute Obligations in which such proceeds are reinvested and on other investments held in the Escrow Fund, the yield on money and investments in the Escrow Fund shall not exceed the yield on the Bonds;

(5) The District and the Escrow Agent shall receive from a verification agent acceptable to both the District and the Escrow Agent a report verifying compliance with the requirements set forth in Sections 10(a)(3) and 10(a)(4) hereof; and

(6) The District and the Escrow Agent shall receive from nationally recognized bond counsel a written opinion to the effect that the investment in the Substitute Obligations shall not cause interest on the Refunded Bonds or the Bonds to be included in gross income for purposes of the federal income tax.

(b) If for any reason proceeds and/or reinvestment proceeds cannot be invested in accordance with Section 10(a) of this Escrow Agreement, such proceeds and/or

reinvestment proceeds shall be held by the Escrow Agent in cash balances as shown on the books and records of the Escrow Agent until required to make an Escrow Payment, or until sufficient funds are accumulated to permit the reinvestment thereof, or until such proceeds may be reinvested in compliance with Section 10(a) hereof.

(c) "Yield," as used herein, has the meaning assigned to such term by Treas. Reg. §1.148-1(b).

(d) For a period of at least three years after the final maturity, payment and retirement of the Bonds, the Escrow Agent shall retain with respect to each of the Escrow Obligations and Substitute Obligations, sufficient documentation to establish that each such security has been acquired and disposed of on an established market in an arm's-length transaction, at a price equal to its fair market value and that no amounts have been paid to reduce the yield on such obligation, including but not limited to the following:

- (1) Purchase price (including the amount of accrued interest stated separately),
- (2) Nominal rate of interest,
- (3) Par or face amount,
- (4) Purchase date,
- (5) Maturity date,
- (6) Amount of original discount or premium (if any),
- (7) Frequency of periodic payments (and actual dates and amounts of receipts),
- (8) Period of compounding,
- (9) Date of disposition,
- (10) Amount realized on disposition (including the amount of accrued interest stated separately),
- (11) Transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Escrow Obligations and any Substitute Obligations, and
- (12) Market price data sufficient to establish that the purchase price (or disposition price) was not greater than (or less than) the arm's-length fair market value on the date of acquisition (or disposition) or, if earlier, on the date of a binding contract to acquire (or dispose of) the Escrow Obligations and any Substitute Obligations.

Section 11. Surplus in Escrow. If at any time during the term of the escrow created pursuant to this Escrow Agreement, the securities and money held in the Escrow Fund exceed the amounts required to make all of the Escrow Payments when due, considering the earnings to be realized on the investment (but not reinvestment) of such securities and the District requests in writing that such surplus securities or the proceeds thereof or such surplus money be returned by the Escrow Agent to the District, then the Escrow Agent shall do so at the times requested by the District. If remission of any such surplus is requested prior to the Refunded Bond Redemption Date, the Escrow Agent may require the District to furnish the Escrow Agent a report in form and substance acceptable to it, from an independent third party acceptable to both the District and the Escrow Agent, verifying that upon release of such surplus, funds remaining in the Escrow Fund shall be sufficient to pay all of the Escrow Payments, when due.

Section 12. Amendments of Escrow Agreement. The Escrow Agent and the District recognize that the holders and owners of the Refunded Bonds have a beneficial interest in the obligations and money held in the Escrow Fund. It is therefore understood and agreed that this Escrow Agreement shall not be subject to revocation or amendment except for the purpose of clarifying any ambiguity herein or adding additional money or noncallable direct obligations of the United States to the Escrow Fund, in either case at the request of the District or the Escrow Agent, which request shall be accompanied by an opinion of Bond Counsel addressed to the District and the Escrow Agent to the effect that such requested change does not detrimentally affect the registered owners of the Refunded Bonds.

Notice of any such intended revocation or amendment, together with a copy of the proposed amendments, if any, shall be sent at least three business days prior to the proposed effective date of any such revocation or amendment, and notice of any holding of invalidity, illegality or unenforceability shall be sent within 30 days following such decision, in either case, by registered or certified mail, postage prepaid, to:

S&P Global Ratings
55 Water Street
New York, New York 10041

Section 13. Limitation of Escrow Agent Duties. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for the payment of interest on any funds or other property received by it hereunder except to the extent the Escrow Agent is required by the express terms of this Escrow Agreement to invest such funds and it fails to do so.

The Escrow Agent's liabilities and obligations in connection with this Escrow Agreement are confined to those specifically described herein. The Escrow Agent is authorized and directed to comply with the provisions of this Escrow Agreement and is relieved from all liability for so doing notwithstanding any demand or notice to the contrary by any party hereto. The Escrow Agent shall not be responsible or liable for the sufficiency, correctness, genuineness or validity of the Escrow Obligations or any Substitute Obligations deposited with it; the performance of, or compliance by any party other than the Escrow Agent with, the terms or conditions of any such

instruments or the terms or conditions of this Escrow Agreement; the truth of the recitals herein; or any loss which may occur by reason of forgeries, false representations or the exercise of the Escrow Agent's discretion in any particular manner unless such exercise is negligent or constitutes willful misconduct. If any controversy arises between the District and any third person, the Escrow Agent shall not be required to determine the same or to take any action in the premises, but it may, in its discretion, institute an interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable and shall be indemnified by the District in respect thereof to the Escrow Agent's satisfaction.

The Escrow Agent may conclusively rely upon and shall be protected in acting upon any statement, certificate, notice, request, consent, order, opinion, report or other document believed by it to be genuine and to have been signed or presented by the proper party. The Escrow Agent may consult counsel (including, but not limited to, Bond Counsel) in respect of any question arising under this Escrow Agreement, and the Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel.

Section 14. Remission of Funds. At such time as the Escrow Agent shall have received both a certificate of the District to the effect that all of the Escrow Payments have been made and the confirmation of such certificate by the Refunded Bond Registrar, together with such other evidence of such payment as shall be satisfactory to the Escrow Agent, the Escrow Agent shall deliver forthwith or remit to the District any remaining securities and money held pursuant to this Escrow Agreement.

Section 15. Compensation of Escrow Agent. The payment arrangement heretofore made between the Escrow Agent and the District as to compensation and expenses of the Escrow Agent for services rendered by it pursuant to the provisions of this Escrow Agreement is satisfactory to it and shall be as provided in the fee schedule dated _____, 2019, heretofore provided to the District, and no further payment to the Escrow Agent, other than as provided by such arrangement, shall be required for such purpose. Such arrangement for compensation and expenses is intended as compensation for the ordinary services as contemplated by this Escrow Agreement, and in the event that the Escrow Agent renders any service hereunder not expressly provided for in this Escrow Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be reasonably compensated by the District for such extraordinary services and reimbursed for all fees, costs, liability and expenses (including reasonable attorneys' fees) occasioned thereby; provided, that the Escrow Agent shall have no lien or right of set-off against the Escrow Fund or the money or investments therein.

Section 16. Merger of Escrow Agent; Successor Escrow Agent. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all of the title to the Escrow Fund and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the

part of any of the parties hereto, provided that such resulting entity shall meet the requirements of RCW 39.53.070. Further, the obligations assumed by the Escrow Agent pursuant to this Escrow Agreement may be transferred by the Escrow Agent to a successor if: (a) the Escrow Agent has presented evidence satisfactory to the District and Bond Counsel that the successor meets the requirements of RCW 39.53.070, as now in effect or hereafter amended; (b) the successor has assumed all the obligations of the Escrow Agent under this Escrow Agreement; and (c) the Escrow Fund has been duly transferred to such successor. From and after the date any successor trustee is duly established hereunder, the predecessor Escrow Agent shall have no duty or responsibility hereunder, and shall in no event be liable for any action or failure to act of the successor.

Section 17. Notices of Defeasance and Redemption.

(a) The District hereby directs the Escrow Agent to give or cause to be given to the registered owners of the Refunded Bonds and S&P Global Ratings, promptly following the execution and delivery hereof, written notice of the defeasance of the Refunded Bonds in substantially the form attached as Exhibit E hereto and made a part hereof by this reference.

(b) The District hereby directs the Escrow Agent to give or cause to be given such notice as may be required, at the time(s) and in the manner required pursuant to Resolution Nos. 09-03 and 09-07, in order to effect the redemption of the Refunded Bonds for redemption on the Refunded Bond Redemption Date. The written notice of redemption of the Refunded Bonds shall be in substantially the form attached as Exhibit F hereto and made a part hereof by this reference.

Section 18. Notices. All notices or requests required or permitted to be given hereunder shall, until further notice in writing, be given in writing at the following addresses:

To the District:

King County Fire Protection District No. 16
7220 NE 181st Street
Kenmore, Washington 98028
Attn: Fire Chief
(425) 354-1776

with a copy to:

Hillis Clark Martin & Peterson P.S.
999 Third Avenue, Suite 4600
Seattle, Washington 98104
(206) 623-1745

To the Escrow Agent:

U.S. Bank Corporate Trust Services
1420 5th Avenue, 7th Floor
PD-WA-T7CT
Seattle, Washington 98101
(206) 344-4678

Section 19. Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Miscellaneous. This Escrow Agreement is governed by the law of the State of Washington and may not be modified except in writing signed by the parties. In the event any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the parties have executed and delivered this Escrow Agreement pursuant to due and proper authorization, all as of _____, 2019.

KING COUNTY FIRE PROTECTION DISTRICT NO. 16,
KING COUNTY, WASHINGTON

By _____
Suzanne Greathouse
Chair, Board of Fire Commissioners

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By _____
Authorized Officer

EXHIBIT A

REFUNDED BONDS

KING COUNTY FIRE PROTECTION DISTRICT NO. 16 KING COUNTY, WASHINGTON UNLIMITED TAX GENERAL OBLIGATION BONDS, 2009

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>CUSIP</u> <u>Number</u>
[2019	\$ 875,000	4.250%	494902AU3]
2020	970,000	4.000	494902AV1
2021	1,070,000	4.000	494902AW9
2022	1,175,000	4.000	494902AX7
2023	1,285,000	4.000	494902AY5
2024	1,405,000	4.000	494902AZ2
2025	1,530,000	4.000	494902BA6
2026	1,665,000	4.125	494902BB4
2027	1,810,000	4.200	494902BC2

EXHIBIT B-1

ESCROW OBLIGATIONS

<u>Type of Obligation</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>
		\$	%

EXHIBIT B-2

SUBSCRIPTIONS FOR ESCROW OBLIGATIONS

[Attached]

EXHIBIT C

ISSUANCE COSTS FOR THE BONDS

<u>Description</u>	<u>Total</u>
U.S. Bank National Association (Escrow Agent)	\$
Hillis Clark Martin & Peterson P.S. (Bond Counsel)	
S&P Global Ratings (Rating Fee)	
King County Fire Protection District No. 16 (Rounding Amount)	
TOTAL	

EXHIBIT D
VERIFICATION

[Attached]

EXHIBIT E

FORM OF REFUNDED BOND DEFEASANCE NOTICE

NOTICE is hereby given that in accordance with its Resolution Nos. 09-03 and 09-07 (the "Refunded Bond Resolution"), King County Fire Protection District No. 16, King County, Washington (the "District") has called the following bonds (the "Refunded Bonds") for redemption on July 5, 2019 (the "Refunded Bond Redemption Date") at the redemption price of par, plus accrued interest to the Refunded Bond Redemption Date, and has defeased the Refunded Bonds to the Refunded Bond Redemption Date by depositing money and certain noncallable United States government obligations into an irrevocable escrow fund (the "Escrow Fund") held by U.S. Bank National Association, as Escrow Agent:

KING COUNTY FIRE PROTECTION DISTRICT NO. 16
KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2009

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>CUSIP</u> <u>Number</u>
2019	\$ 875,000	4.250%	494902AU3]
2020	970,000	4.000	494902AV1
2021	1,070,000	4.000	494902AW9
2022	1,175,000	4.000	494902AX7
2023	1,285,000	4.000	494902AY5
2024	1,405,000	4.000	494902AZ2
2025	1,530,000	4.000	494902BA6
2026	1,665,000	4.125	494902BB4
2027	1,810,000	4.200	494902BC2

In accordance with the Refunded Bond Resolution, the Refunded Bonds shall no longer be deemed to be outstanding thereunder. No further payments will be made into the Bond Fund (defined by the Refunded Bond Resolution) or its accounts for the payment of the principal of and the interest on such Refunded Bonds, and the owners and beneficial owners of the Refunded Bonds shall cease to be entitled to any lien, benefit or security of the Refunded Bond Resolution except for certain covenants of the District relating to the tax exemption of such obligations, and except for the right to receive certain of the money and the principal and interest proceeds on obligations set aside in the Escrow Fund.

KING COUNTY FIRE PROTECTION DISTRICT NO. 16,
KING COUNTY, WASHINGTON

By U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

Dated: _____, 2019.

EXHIBIT F

FORM OF REFUNDED BOND REDEMPTION NOTICE

NOTICE is hereby given that in accordance with its Resolution Nos. 09-03 and 09-07, King County Fire Protection District No. 16, King County, Washington, has called the following bonds (the "Refunded Bonds") for redemption on July 5, 2019 (the "Refunded Bond Redemption Date"):

KING COUNTY FIRE PROTECTION DISTRICT NO. 16
KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2009

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>CUSIP</u> <u>Number</u>
2019	\$ 875,000	4.250%	494902AU3]
2020	970,000	4.000	494902AV1
2021	1,070,000	4.000	494902AW9
2022	1,175,000	4.000	494902AX7
2023	1,285,000	4.000	494902AY5
2024	1,405,000	4.000	494902AZ2
2025	1,530,000	4.000	494902BA6
2026	1,665,000	4.125	494902BB4
2027	1,810,000	4.200	494902BC2

The Refunded Bonds will be redeemed at the price of par, plus accrued interest to the Refunded Bond Redemption Date. The redemption price of the Refunded Bonds is payable on presentation and surrender of the Refunded Bonds at the office of:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave. E.
St. Paul, Minnesota 55107

Interest on all Refunded Bonds shall cease to accrue on the Refunded Bond Redemption Date.

KING COUNTY FIRE PROTECTION DISTRICT NO. 16,
KING COUNTY, WASHINGTON

By U.S. BANK NATIONAL ASSOCIATION, as Registrar
for the Refunded Bonds

Dated: _____, 20__.

Under Section 3406(a)(1) of the Internal Revenue Code of 1986, as amended, the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.