



June 6, 2023

Chief Dale Borland  
Lane Fire Authority  
Mr. David Ulbricht  
SDAO Advisory Services LLC

RE: Lane Fire Authority TRAN Terms

Dear Chief Borland and Mr. Ulbricht,

Thank you for the opportunity to propose on the Authority's borrowing request. Kitsap Bank (the "Bank") has approved and commits to the following terms:

1. Borrower: The Lane Fire Authority (the "Authority")
2. Amount: Up to \$1,000,000
3. Form: Full Faith and Credit Financing Agreement Taxable Revenue Anticipation Note (the "Note")
4. Interest Rate: The rate will be fixed at Kitsap Bank Prime Rate – 1.50% calculated on a 30/360 basis. Prime is currently 8.25% and the resulting Note rate is currently 6.75%. The rate will be fixed at closing.
5. Maturity: Within 12 months of closing.
6. Terms: All principal and interest due on the Note will be paid at maturity or earlier prepayment.
7. Prepayment: The Authority may prepay the Note, in whole or in part, at any time without charge or prepayment fee.
8. Fees: A fee of \$2,500 will be charged for this credit facility collected at closing. All legal costs incurred by the Authority for purposes of issuing the Note will be the responsibility of the Authority.
9. Contingencies: The Bank's commitment to these terms is contingent on the Bank's legal review of the Borrowing Resolution, the Note Purchase Agreement and other documents drafted by the Authority's counsel to authorize and document this borrowing.
10. Additional Terms: The Note documents will be in the standard forms customarily required by the Bank for municipal funding and may include additional terms and conditions not discussed above. At the date of closing the Note, the

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financial condition and credit of the Authority and all other features of this transaction will be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the Authority, including litigation involving or claims filed against the Authority, any offers or commitments will terminate upon notice by the Bank. The Authority will provide the Bank with annual financial statements, annual budgets, and notification of material audit findings during the period the Notes are outstanding and held by the Bank.

11. Expiration: If not accepted, these terms will expire without notice on June 30, 2023. If accepted, these terms will expire without notice if the Note has not closed by July 7, 2023.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

Thank you again for considering Kitsap Bank.

Sincerely,



Alan K. Crain, CPA  
EVP & Chief Financial Officer  
360-876-7887  
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Please copy any email inquiries to [KB-Finance@KitsapBank.com](mailto:KB-Finance@KitsapBank.com)