



July 17, 2022

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

RE: Lane Fire Authority TRAN Terms

Dear Mr. 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
4. Interest Rate: Fixed at 4.25% calculated on a 30/360 basis. The rate will be fixed upon acceptance by the Authority.
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 will include additional terms and conditions not discussed above. At the date of closing the Note, the financial condition and credit of the Authority and all other features of this transaction will be as represented to the Bank without material

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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 August 5, 2022. If accepted, these terms will expire without notice if the Note has not closed by August 30, 2022.

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
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Please copy any email inquiries to KB-Finance@KitsapBank.com