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ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

GENERAL OBLIGATION BONDS

_____

RESOLUTION NO. ____

A RESOLUTION of the Board of Directors of Issaquah School District No. 411, King County, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the district at a special election to be held therein on April 17, 2012, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of $219,121,500 or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds to construct, equip, modernize and make certain capital improvements to the facilities of the District and authorizing the Superintendent to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

ADOPTED _____

PREPARED BY:

K&L GATES LLP
Seattle, Washington

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WHEREAS, improvements are needed in Issaquah School District No. 411, King County, Washington (the "District"), in order to provide the students of the District with adequate, proper and safe educational facilities; and

WHEREAS, in order to provide part of the funds to enable the District to construct, equip, modernize and make such necessary capital improvements to its facilities, it is deemed necessary and advisable that the District issue and sell its unlimited tax levy general obligation bonds in the principal amount of $219,121,500 (the "Bonds"); and

WHEREAS, the Constitution and laws of the State of Washington (including RCW 28A.530.010 and RCW 84.52.056) provide that the question of whether or not such Bonds may be issued and sold for such purposes and taxes levied to pay such Bonds must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, in RCW ch. 39.98 (the "Credit Enhancement Act"), the State Legislature established a credit enhancement program (the "Program") for voter-approved school district general obligation bonds; and

WHEREAS, Section 39.98.040 of the Credit Enhancement Act authorizes the state treasurer to make a determination that a school district is eligible for participation in the Program if the state treasurer determines that the district is eligible under rules adopted by the state finance committee; and

WHEREAS, the District may elect to participate in the Program upon an administrative determination that it is cost-effective;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings. This Board of Directors (the "Board") hereby finds and declares that the best interest of the students and other inhabitants of the District require the District to carry out the plans hereinafter provided at the time or times and in the order deemed most necessary and advisable by the Board.

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- Make needed facility improvements, modernizations, and/or renovations to the following elementary schools: Apollo, Challenger, Clark, Cougar Ridge, Discovery, Endeavour, Grand Ridge, Issaquah Valley, Maple Hills, Sunny Hills, and Sunset;
- Make needed facility improvements, modernizations, and/or renovations to all District middle schools;
- Make needed facility improvements, modernizations, and/or renovations to all District high schools;

- Make efficiency and usability improvements to curricular and athletic fields at the following schools: Apollo Elementary School, Beaver Lake Middle School, Issaquah High School, Issaquah Middle School, Liberty High School, Maywood Middle School, Pacific Cascade Middle School, and Pine Lake Middle School;
- Construct efficiency improvements at the district transportation center in order to align access to Second Avenue with the new traffic signal and better manage traffic;
- Acquisition and installation of security system upgrades at all buildings; and
- Construct space renovation and project management capital improvements and modernizations to District facilities.

The cost of all necessary architectural, engineering, and other consulting services, inspection and testing, administrative and relocation expenses, on and off-site utilities, site acquisition, related improvements and other costs incurred in connection with the making of the foregoing capital Improvements shall be deemed a part of the costs of such Improvements. Such Improvements shall be complete with all necessary furniture, equipment and appurtenances.

If available funds are sufficient from the proceeds of Bonds authorized for the above purposes, and state or local circumstances require, the District shall use such funds to pay the principal of or interest on the bonds or acquire, construct, equip and make other capital improvements to the facilities of the District, all as the Board of Directors may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020.

The District shall determine the application of available moneys as between the various Improvements set forth above so as to accomplish, as nearly as may be, all of the Improvements described or provided for in this section. The District shall determine the exact extent and specifications for construction of structures or other improvements.

If the Board shall determine that it has become impractical to accomplish any of such Improvements or portions thereof by reason of state or local circumstances, including changed conditions, incompatible development or costs substantially in excess of those estimated, the District shall not be required to accomplish such Improvements and may apply the Bond proceeds or any portion thereof to other portions of the Improvements, to other capital improvements, or to payment of principal of or interest on the Bonds, as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

In the event that the proceeds of sale of the Bonds, plus any other moneys of the District legally available, are insufficient to accomplish all of the Improvements provided by this section, the District shall use the available funds for paying the cost of those Improvements for which the Bonds were approved deemed by the Board most necessary and in the best interest of the District.

The District does not expect to receive matching funds from the State of Washington pursuant to RCW 28A.530.020.

Section 3. Authorization of Bonds. For the purpose of providing part of the funds necessary to pay the cost of the Improvements described in Section 2 hereof and/or to reimburse the District for such costs to the extent that District funds have been used for such purposes, together with incidental costs and costs related to the sale and issuance of the Bonds, the District shall issue and sell its unlimited tax levy general obligation bonds in the principal amount of not

to exceed $219,121,500. The balance of the cost of such Improvements shall be paid out of any moneys which the District now has or may later have on hand which are legally available for such purposes, including mitigation fees, and out of possible state or federal grants of money. None of the Bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose. Such Bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the District as required by the Constitution and laws of the State of Washington or exceeding the amount permitted by the Constitution and laws of the State of Washington.

Section 4. Details of Bonds. The Bonds provided for in Section 3 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Board and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the Bonds are sold, and shall mature in such amounts and at such times within a maximum term of twenty (20) years from date of issue, but may mature at an earlier date or dates, as authorized by this Board and as provided by law. Said Bonds shall be general obligations of the District and, unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made upon all the taxable property within the District without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of the Bonds shall be as hereafter fixed by resolution of the Board of Directors. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the District may issue short term obligations as authorized and provided by chapter 39.50 RCW. The proceeds of such Bonds may be used to redeem and retire short term obligations or to reimburse the District for expenditures previously made for such Improvements.

Section 5. Election. is hereby found and declared that the best interests of the District requires the submission to the qualified electors of the District of the proposition of whether the District shall issue the Bonds at a special election to be held on April 17, 2012. The King County Elections as *ex officio* supervisor of elections in King County, Washington is hereby requested also to call and conduct the special election to be held within the District and to submit to the qualified electors of the District the proposition set forth below. The Secretary of the Board is hereby authorized and directed to certify the proposition to said officials in the following form:

PROPOSITION NO. 1

ISSAQUAH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS - $219,121,500

> The Board of Directors approved Resolution No. ____ concerning this proposition for bonds. This proposition authorizes the District to rebuild Clark and Sunny Hills Elementary and Issaquah Middle; modernize Liberty High; relocate Tiger Mountain High for expanded labor/technical training; improve district-wide heating/ventilation, space, and security; make usability improvements to curricular/athletic fields and stadiums; and make other improvements; to issue $219,121,500 of general obligation bonds maturing within a maximum term of 20 years; and to levy excess property taxes annually to repay the bonds, as described in Resolution #____. Should this proposition be:
>
> APPROVED?..... ☐
>
> REJECTED? ..... ☐

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to the King County Elections.

Section 6. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board of Directors hereby requests that the State Treasurer issue a certificate of eligibility in favor of the

District for participation by the District in the Program with respect to the Bonds. The Superintendent is hereby authorized (following voter approval) to submit such applications, resolutions and certifications as shall be required by the State Treasurer in reviewing the District's request for participation.

Section 7. Severability. In the event that any provision of this resolution shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this resolution or the Bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 8. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Issaquah School District No. 411, King County, Washington, at a regular meeting held this ____ day of _____, 20__.

ISSAQUAH SCHOOL DISTRICT NO. 411,
KING COUNTY, WASHINGTON

_____
President and Director

_____
Director

_____
Director

_____
Director

_____
Director

ATTEST:

_____
Secretary, Board of Directors

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CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Issaquah School District No. 411, King County, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. ____ of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the ____ day of _____, 20__.

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 said Resolution; that all other requirements and proceedings incident to the proper adoption of said 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 ____ day of _____, 20__.

_____
Secretary, Board of Directors

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O F F I C I A L B A L L O T

ISSAQUAH SCHOOL DISTRICT NO. 411,
KING COUNTY, WASHINGTON

April 17, 2012

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "APPROVED"; to vote against the following proposition, place a cross (X) in the square opposite the word "REJECTED."

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ISSAQUAH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS - $219,121,500

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APPROVED?..... €

REJECTED? ..... €

DRAFT

NOTICE OF SPECIAL ELECTION

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

April 17, 2012

NOTICE IS HEREBY GIVEN that on Tuesday, April 17, 2012, a special election will be held in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 1

ISSAQUAH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS - $219,121,500

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APPROVED?..... **€**

REJECTED? ..... **€**

King County Elections