

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

GENERAL OBLIGATION BONDS

RESOLUTION NO. 897

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 February 7, 2006, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of \$241,870,000, 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 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 OCTOBER 12, 2005

PREPARED BY:

PRESTON GATES & ELLIS LLP
Seattle, Washington

TABLE OF CONTENTS*

	<u>Page</u>
Recitals.....	1
Section 1. Findings.....	2
Section 2. Capital Improvements	2
Section 3. Authorization of Bonds.....	4
Section 4. Details of Bonds.....	4
Section 5. Election	5
Section 6. Request for Eligibility for the Credit Enhancement Program	6
Section 7. Severability	6
Section 8. Effective Date	7

* This Table of Contents is not a part of the following resolution.

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WHEREAS, improvements to school facilities 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 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 \$241,870,000 (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 the purpose of establishing 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. 210, 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”):

- Rebuild and refurbish Issaquah High School;
- Rebuild and refurbish Briarwood Elementary School;
- Acquire land and construct and equip a new elementary school;
- Acquire land and construct and equip a new middle school;
- Upgrade the gym at Skyline High School;

- Construct and equip two science classrooms and four additional classrooms at Maywood Middle School; and
- Construct and equip ten classrooms and a performing arts facility at Liberty High School.

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 \$241,870,000. 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 said 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. It is hereby found and declared that an emergency exists requiring the District to submit to the qualified electors of the District the proposition of whether or not the District shall issue the Bonds at a special election to be held on February 7, 2006. The King County Manager of Records and Elections as ex officio supervisor of elections in King County, Washington is hereby requested also to find the existence of such emergency and 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. 3

ISSAQUAH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS - \$241,870,000

The Board of Directors approved a proposition for bonds. This proposition authorizes the District to rebuild Issaquah High School and Briarwood Elementary; purchase land to construct and equip additional elementary and middle schools; construct additional classrooms at Maywood Middle and Liberty High Schools; upgrade Skyline High School's gym and make other capital improvements; to issue \$241,870,000 of general obligation bonds maturing within a maximum term of 20 years; and to levy additional property taxes annually to repay the bonds, as described in Resolution #897. Should this proposition be:

APPROVED?..... €
REJECTED? €

The polls for such special election shall be open from 7:00 a.m. to 8:00 p.m.

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

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 12th day of October, 2005.

ISSAQUAH SCHOOL DISTRICT NO. 411,
KING COUNTY, WASHINGTON

By _____
President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

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. 897 of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the 12th day of October, 2005.

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 12th day of October, 2005.

Secretary, Board of Directors

OFFICE OF THE SUPERINTENDENT OF ELECTIONS
KING COUNTY RECORDS AND ELECTIONS DIVISION

WHEREAS, the undersigned as the duly elected, qualified and acting Manager of King County, Washington, Department of Records and Elections, has jurisdiction of and is required by law to conduct all special elections for school districts within the County; and

WHEREAS, Issaquah School District No. 411, King County, Washington, lies entirely within the boundaries of King County; and

WHEREAS, the Board of Directors of said district by resolution adopted October 12, 2005, a certified copy of which has been delivered to the undersigned, has found that an emergency exists requiring the holding of a special election on February 7, 2006; and

WHEREAS, said district by said resolution has authorized and directed the undersigned to assume jurisdiction of and conduct said special election;

NOW, THEREFORE, it is hereby authorized and ordered as follows:

The undersigned concurs in the finding of an emergency and does hereby assume jurisdiction of the above-mentioned special election of Issaquah School District No. 411, King County, Washington, authorized and ordered by resolution of its Board of Directors adopted October 12, 2005, and will conduct said special election to be held on February 7, 2006.

DATED at Seattle, Washington, this ____ day of _____, 2005.

Superintendent of Elections
King County Records and Elections
Division

OFFICIAL BALLOT

ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON

February 7, 2006

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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APPROVED?..... €
REJECTED? €

NOTICE OF SPECIAL ELECTION

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

February 7, 2006

NOTICE IS HEREBY GIVEN that on Tuesday, February 7, 2006, 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. 3

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APPROVED?..... €

REJECTED?..... €

The polling places for all precincts wholly or partially within the district shall be as follows:

_____ Precincts _____ Polling Places

Said polling places shall be open from 7:00 a.m. to 8:00 p.m.

Superintendent of Elections
King County Records and Elections
Division