

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON



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KING COUNTY, WASHINGTON

PROPOSITION 2 – BONDS FOR MODERNIZATION/REPLACEMENT
OF SHORECREST AND SHOREWOOD HIGH SCHOOLS

RESOLUTION NO. 2009-29--REVISED

A RESOLUTION of the Board of Directors of Shoreline School District No. 412, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on February 9, 2010, of a proposition authorizing the District to issue general obligation bonds in the principal amount of no more than \$150,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying costs of modernizing and/or replacing Shorecrest and Shorewood High Schools, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the District's Deputy Superintendent and bond counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; authorizing a request for a Certificate of Eligibility from the State Treasurer pursuant to chapter 39.98 RCW; and designating the Secretary to the Board and/or the District's Deputy Superintendent as the District officials authorized to file with the State Treasurer, on behalf of the District, the request for a Certificate of Eligibility.

ADOPTED: NOVEMBER 16, 2009

This document prepared by:

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHORELINE SCHOOL DISTRICT NO. 412, KING COUNTY, WASHINGTON, as follows:

Section 1. The Board of Directors (the "Board") of Shoreline School District No. 412, King County, Washington (the "District"), hereby makes the following findings and determinations:

(a) The existing condition of school facilities and the institution of new educational programs require that the District modernize and/or replace Shorecrest and Shorewood High Schools, all as more particularly defined and described in Section 3 herein (collectively, the "Projects").

(b) The District lacks sufficient money with which to pay costs of the Projects, which are urgently required to correct the existing conditions.

(c) To pay costs of the Projects, the Board hereby deems it necessary and advisable that the District issue and sell unlimited tax general obligation bonds in the principal amount of no more than \$150,000,000 (the "Bonds") (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness).

(d) The District is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State of Washington, including Revised Code of Washington ("RCW") 28A.530.010, RCW 28A.530.020, RCW 39.36.050 and RCW 84.52.056, to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire the Bonds.

Section 2. The Board hereby finds and declares that the best interests of the District's students and other inhabitants require the District to carry out and accomplish the Projects as hereinafter provided.

Section 3. The Board hereby finds and declares that the Projects to be paid for with proceeds of the Bonds, including interest earnings thereon ("Bond Proceeds"), are more particularly defined and described as follows:

(a) Modernize existing Shorecrest High School and/or construct a new high school to replace Shorecrest High School and acquire land and interests in land as necessary to modernize and/or construct such school, all as deemed necessary and advisable by the Board.

(b) Modernize existing Shorewood High School and/or construct a new high school to replace Shorewood High School and acquire land and interests in land as necessary to modernize and/or construct such school, all as deemed necessary and advisable by the Board.

(c) Acquire, construct and install all necessary furniture, equipment, apparatus, fixtures and appurtenances in the foregoing, all as deemed necessary and advisable by the Board.

(d) Pay incidental costs incurred in connection with carrying out and accomplishing the foregoing Projects pursuant to RCW 39.46.070. Such costs shall be deemed part of the Projects and shall include, but are not limited to: costs related to the issuance, sale and delivery of the Bonds; payments for fiscal and legal expenses; obtaining ratings and bond insurance; printing, advertising, establishing and funding accounts; payment of interest due on the Bonds for up to six months after completion of construction; necessary and related engineering, architectural, planning, consulting, inspection, permit and testing costs; administrative and relocation expenses; site acquisition and improvement; demolition; costs related to demolition and/or deconstruction of existing unused school facilities to recycle, reclaim and repurpose building materials for use in the Projects; on and off-site utilities and road improvements; and other similar activities or purposes, all as deemed necessary and advisable by the Board. The Projects, or any portion or portions thereof, shall be acquired or made insofar as is practicable with available Bond Proceeds, together with any other money of the District legally available therefor, and in such order of time as shall be deemed necessary and advisable by the Board. The Board shall determine the application of Bond Proceeds, together with any other money of the District legally available therefor, between the various parts of the Projects so as to accomplish, as near as may be, all of the Projects. The Board shall determine the exact order, extent and specifications for the Projects. The Projects are to be more fully described in the plans and specifications to be prepared by the District's architects and engineers and to be filed with the District. The life of the Projects to be financed with the Bond Proceeds exceeds the term of the Bonds. The cost of particular categories of the Project property having shorter reasonably expected useful lives will be allocated to Bonds having correspondingly earlier maturity dates.

Section 4. The Director of Records and Elections of King County, Washington, as *ex officio* Supervisor of Elections (the "Auditor"), is requested to call and conduct a special election in the District, in the manner provided by law, to be held therein on February 9, 2010, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire the Bonds.

If such proposition is approved by the requisite number of voters, the District will be authorized to issue, sell and deliver the Bonds in the manner described in this resolution, spend the Bond Proceeds to pay costs of the Projects, and levy annual excess property taxes to pay and retire the Bonds. The Bond Proceeds shall be used, either with or without additional money now available or hereafter available to the District, for capital purposes only, as permitted by law, which shall not include the replacement of equipment.

Section 5. The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, as deemed necessary and advisable by the Board and as permitted by law. The Bonds shall be fully registered bonds; shall bear interest payable as permitted by law; shall mature within 25 years from the date of issue (but may mature at an earlier date or dates as fixed by the Board); shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due; and shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which the Bonds are to be issued, all as deemed necessary and advisable by the Board and as permitted by law. The exact date, form, terms, option of prior redemption, price, interest rate or rates and maturities of the Bonds shall be hereafter fixed by resolution of the Board. Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW to pay for the costs of the Projects. Such obligations may be paid or refunded with the Bond Proceeds.

If the District receives voter approval to issue the Bonds in the manner described in this resolution, the Board hereby authorizes and directs the Secretary to the Board (the "Secretary") and/or the District's Deputy Superintendent (the "Deputy Superintendent") to: (a) review and "deem final" (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission), if necessary and upon such official's satisfaction, any preliminary official statement prepared in connection with the sale of the Bonds by the District; (b) authorize the "deemed final" preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells the Bonds; and (c) acknowledge in writing any action taken pursuant to clauses (a) and (b) of this paragraph.

The Board declares that to the extent, prior to the date the Bonds or other short-term obligations are issued to pay costs of the Projects, the District shall make capital expenditures for the Projects from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to pay costs of the Projects, those capital expenditures are intended to be reimbursed out of the Bond Proceeds or other short-term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 6. If Bond Proceeds are more than sufficient to carry out and accomplish the Projects (the "Excess Bond Proceeds"), and state or local circumstances require, the District may use the Excess Bond Proceeds to: (a) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution, after holding a public hearing thereon pursuant to RCW 28A.530.020. In the event that the Bond Proceeds, together with any other money of the District legally available therefor, are insufficient to carry out and accomplish all of the Projects, the District shall use the Bond Proceeds and other available money for paying the cost of that portion of the Projects that is deemed by the Board most necessary and in the best interest of the District.

It is anticipated that the District may receive some money from the State of Washington as state financing assistance under chapter 28A.525 RCW with respect to the Projects (the "State Financing Assistance"). The State Financing Assistance shall be used, when and in such amounts as it may become available, to carry out and accomplish the Projects. If State Financing Assistance is more than sufficient to carry out and accomplish the Projects (the "Excess State Financing Assistance"), the District shall use the Excess State Financing Assistance to carry out and accomplish any capital improvements identified in Resolution No. 2005-21, adopted by the Board on December 12, 2005, as amended, and not otherwise completed as provided therein, which by this reference are incorporated herein and are collectively referred to herein as the "Excess State Financing Assistance Improvements." The provisions of Section 3(c) and (d) of this resolution are incorporated herein by this reference and made a part of the Excess State Financing Assistance Improvements.

If the Excess State Financing Assistance is more than sufficient to carry out and accomplish the Excess State Financing Assistance Improvements (the "Remaining Excess State Financing Assistance"), the District may use the Remaining Excess State Financing Assistance to: (a) acquire, construct, install, equip and make other capital improvements to the District's facilities; (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District; or (c) provide for other purposes, all as the Board may determine by resolution, after holding a public hearing thereon pursuant to RCW 28A.530.020.

If the Board shall subsequently determine that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects or the Excess State Financing Assistance Improvements, the District shall not be required to accomplish the Projects or the Excess State Financing Assistance Improvements, and may apply the Bond Proceeds, State Financing Assistance or Excess State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects or the Excess State Financing Assistance Improvements; (b) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (c) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 7. Pursuant to RCW 29A.36.071, the King County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 2

SHORELINE SCHOOL DISTRICT NO. 412

BONDS FOR MODERNIZATION/REPLACEMENT
OF SHORECREST AND SHOREWOOD HIGH SCHOOLS

The Board of Directors of Shoreline School District No. 412, adopted Resolution No. 2009-29, concerning a proposition to finance modernization/replacement of high schools. This proposition would authorize the District to modernize and/or replace Shorecrest and Shorewood High Schools and acquire land as necessary for such modernization and/or replacement; issue no more than \$150,000,000 of general obligation bonds maturing within 25 years of issuance; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 2009-29. Should this proposition be:

Approved

Rejected

Section 8. The Secretary or her designee is directed to (a) present a certified copy of this resolution to the Auditor at least 45 days prior to the date of such special election, and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire the Bonds. All actions of the District or its staff or officers taken prior to the effective date of this resolution and consistent with the objectives and terms of this resolution are ratified and confirmed.

Section 9. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates the (a) Deputy Superintendent (Marcia Harris), telephone: 206.368.4113; fax: 206.361.4204; email: marcia.harris@shorelineschools.org; and (b) bond counsel, Foster Pepper PLLC (Jim McNeill), telephone: 206.447.5339; fax 800.533.2284; email: mcnej@foster.com, as the individuals to whom the Auditor shall provide such notice. The Secretary is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 10. If the District receives voter approval to issue the Bonds in the manner described in this resolution, the Board hereby finds and determines that it will be in the best interests of the District's taxpayers to request the State of Washington's guaranty for payment of the Bonds under chapter 39.98 RCW, the Washington State School District Credit Enhancement Program. Accordingly, the Board hereby requests the State Treasurer to issue a Certificate of Eligibility to the District pledging the full faith, credit, and taxing power of the State of Washington to guarantee the payment, when due, of the principal of and interest on the Bonds pursuant to chapter 39.98 RCW and the rules promulgated thereunder by the State Finance Committee. The Board designates the Secretary and/or the Deputy Superintendent as the District officials authorized to file with the State Treasurer, on behalf of the District, the request for a Certificate of Eligibility.


Section 11. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds or of the levy or collection of the taxes pledged to pay and retire the Bonds.

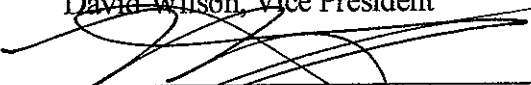
Section 12. This resolution shall become effective immediately upon its adoption.

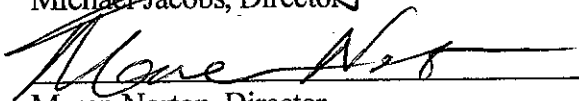
ADOPTED by the Board of Directors of Shoreline School District No. 412, King County, Washington, at a regular open public meeting thereof, held this 16th day of November, 2009, the following Directors being present and voting in favor of the resolution.

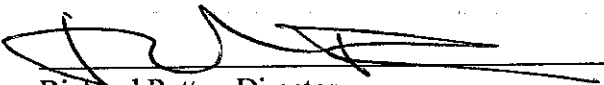
SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON


Deborah Ehrlichman, President

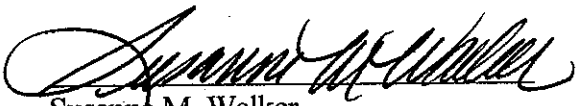

David Wilson, Vice President


Michael Jacobs, Director


Maren Norton, Director


Richard Potter, Director

ATTEST:


Susanne M. Walker
Secretary to the Board of Directors