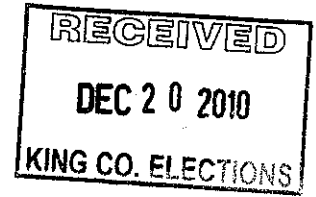


**VASHON ISLAND SCHOOL DISTRICT #402**

**King County, Washington**

**RESOLUTION NO. 651**



A RESOLUTION of the Board of Directors of Vashon Island School District No. 402, King County, Washington, relating to the school facilities of the district, providing for the form of the ballot proposition and specifying certain other details concerning submission to the electors of the district at an election on February 8, 2011, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of \$3,500,000, for the purpose of providing funds to construct and equip a synthetic track and field and associated site modifications at the Vashon High School stadium and authorizing the Superintendent and/or Business Manager to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

WHEREAS, the Board of Directors of Vashon Island School District No. 402 (the "Board") authorized Vashon Island School District No. 402 (the "District") under Resolution No. 637 dated September 9, 2010, to construct a classroom building and renovate Building A at the High School, modify other buildings, upgrade ventilation and technology systems at the Middle and Elementary Schools, and make other capital improvements included in Phase I of the Capital Facilities Master Plan (collectively, the "Improvements") and authorizing the District to issue \$47,700,000 of unlimited tax general obligation bonds, upon receiving approval from the qualified electors of the District, to pay for the costs of the Improvements;

WHEREAS, under Resolution No. 637, the Board also authorized the District to submit to the electors of the District at an election on February 8, 2011, a proposition approving the issuance of \$47,700,000 par value unlimited tax general obligation bonds to pay for the costs of the Improvements and an additional property tax to be levied annually to pay repay such bonds (the "Proposition No. 1");

WHEREAS, in order to provide funds to enable the District to construct and equip a synthetic track and field and associated site modifications at the Vashon High School stadium (the "Project"), it is necessary that the District issue and sell its unlimited tax general obligation bonds in the principal amount of \$3,500,000 (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 Chapter 39.98 RCW (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 VASHON ISLAND SCHOOL DISTRICT NO.402, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings. As long the qualified electors of the District approve the financing of the Improvements under Proposition No. 1, the Board hereby finds that the Project is also necessary to provide the students of the District with adequate, proper and safe educational

facilities. The Board further 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. Authorization of Bonds. For the purpose of providing the funds necessary to pay the cost of the Project and/or to reimburse the District for such cost, 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 general obligation bonds in the principal amount of not to exceed \$3,500,000. The balance of the cost of the Project shall be paid out of any money which the District now has or may later have on hand which is legally available for such purpose, 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 anything other than a capital purpose. The District shall issue the Bonds only if the qualified electors of the District first approve Proposition 1. If Proposition 1 is approved, 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 3. Additional Use of Bond Proceeds. If available funds are sufficient from the proceeds of Bonds authorized for the Project, then, if the voters have approved funding for Phase II of the District 2010 Capital Facilities Master Plan (as described under Resolution No. 637 and below) (the "Phase II") by the time the Project is completed, the remaining funds from the Bonds shall be applied to Phase II. If the voters have not approved funding for Phase II, the District shall use such funds to pay the principal of or interest on the Bonds, all as the Board may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020. Phase II

includes, but is not limited to, a complete renovation and upgrade of the High School Gym, renovation of building F to make it more energy efficient, additional upgrades to the technology infrastructure at all facilities, and demolition of the former District Administration Building.

If the Board shall determine that it has become impractical to accomplish any portion of the Project 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 Project and may apply the Bond proceeds or any portion thereof to any portion of the improvements in Phase II so long as voters have approved funding for Phase II, 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.

Section 4. Details of Bonds. The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the 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 20 years from date of issue, but may mature at an earlier date or dates, as authorized by the Board and as provided by law. The 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. After voter approval of the bond proposition and in anticipation of the issuance of the 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 the Project.

Section 5. Election. It is hereby found and declared that the best interest 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 February 8, 2011. The King County Manager of Records and Elections, as ex officio supervisor of elections in King County, Washington, is hereby requested 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 in the following form:

PROPOSITION NO. 2

VASHON ISLAND SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS - \$3,500,000

The Board of Directors of Vashon Island School District #402 adopted Resolution No. 651 concerning this proposition for bonds. This proposition authorizes the District, if voters also approve Proposition No. 1, to construct a synthetic track and field and associated site modifications at the Vashon High School stadium, issue \$3,500,000 of general obligation bonds maturing within a maximum term of 21 years, and levy additional property taxes annually to repay the bonds, as detailed in Resolution No. 651. Should this proposition be:

APPROVED? .....

REJECTED? .....

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

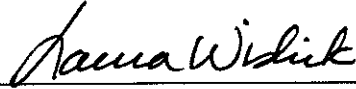
Section 6. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Superintendent and/or Business Manager are 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 Vashon Island School District No. 402, King County, Washington, at a regular meeting held this 23rd day of September, 2010.

VASHON ISLAND SCHOOL DISTRICT  
NO. 402, KING COUNTY, WASHINGTON



Chair and Director



Director

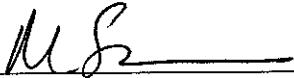


Director

Director

Director

ATTEST:



Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Vashon Island School District No. 402, 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. 651 of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the 23rd day of September, 2010.

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 23rd day of September, 2010.



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Secretary, Board of Directors