

AUBURN SCHOOL DISTRICT NO. 408
KING AND PIERCE COUNTIES, WASHINGTON

SCHOOL CONSTRUCTION AND REPLACEMENT GENERAL OBLIGATION BONDS

RESOLUTION NO. 1220

A RESOLUTION of the Board of Directors of Auburn School District No. 408, King and Pierce Counties, 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 November 8, 2016, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of \$456,056,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds for the remodeling, renovation, upgrade, rebuilding and enlarging of existing facilities and the acquisition, construction and equipping of new school facilities, and authorizing the Superintendent and/or Assistant Superintendent, Business and Operations to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

ADOPTED JUNE 13, 2016

PREPARED BY:

K&L GATES LLP
Seattle, Washington

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* This table of contents and the cover page are not a part of this resolution; they are included for convenience of the reader only.

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WHEREAS, improved facilities are needed in Auburn School District No. 408, King and Pierce Counties, Washington (the "District") in order to provide the students of the District with safe, adequate and efficient educational facilities; and

WHEREAS, in order to provide all or a part of the funds to enable the District to acquire, construct and equip new facilities and to undertake renovations, remodeling, enlarging and upgrades to extend the life of the District's existing facilities, including elementary, middle and high school buildings, and undertake other capital projects described more fully in this resolution it is deemed necessary and advisable that the District issue and sell its unlimited tax general obligation bonds (the "Bonds") to provide funds for such purposes; and

WHEREAS, the Constitution and laws of the State of Washington provide that the question of whether or not the Bonds may be issued and sold for such purposes 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 THE AUBURN SCHOOL DISTRICT NO. 408, KING AND PIERCE COUNTIES, 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”):

- Acquire, construct and equip two new elementary schools;
- Rebuild and enlarge (including equipping) Chinook Elementary School;
- Rebuild and enlarge (including equipping) Dick Scobee Elementary School;
- Rebuild and enlarge (including equipping) Lea Hill Elementary School;
- Rebuild and enlarge (including equipping) Pioneer Elementary School;

- Rebuild and enlarge (including equipping) Terminal Park Elementary School; and
- Rebuild and enlarge (including equipping) Olympic Middle School.

In connection with the foregoing Improvements, the District may also acquire sites as needed in order to accomplish the Improvements and the cost of acquisition shall be considered part of the Improvements. The cost of all necessary planning, architectural, engineering, and other consulting services, inspection and testing, administrative and relocation expenses, demolition, site work, on and off-site utilities, related improvements, including but not limited to parking, driveways, entry ways, landscaping and related athletic facilities and other costs incurred in connection with the making of the foregoing capital improvements shall be deemed a part of the costs of the Improvements. Such Improvements shall include all necessary furniture, equipment and appurtenances.

If available funds are sufficient from the proceeds of Bonds authorized for the above purposes, the District may use such funds to acquire sites for facilities of the District or to pay the principal of or interest on the Bonds. In the alternative, if available funds are sufficient from the proceeds of Bonds authorized for the above purposes and/or state and local circumstances require, the District may use such funds to acquire, construct, equip, modernize 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.

It is anticipated that the District will receive approximately \$79,456,194 from state construction assistance program funding from the State of Washington pursuant to Chapter 28A.525 RCW. The District intends to apply such funds to the completion of the Improvements described in Section 2 and if not required for those purposes, then to pay principal of and/or interest on the Bonds. Such funds may also be used to make other capital improvements to the facilities of the District, but only after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 3. Authorization of Bonds. For the purpose of providing all or a part of the funds necessary to pay the cost of the Improvements, 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 \$456,056,000. The balance of

the cost of the Improvements shall be paid out of any money which the District now has or may later have on hand which are legally available for such purposes. 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 (including original issue discount) 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. 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.

Section 5. Election. It 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 November 8, 2016. King County Elections, as *ex officio* supervisor of elections, 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
AUBURN SCHOOL DISTRICT NO. 408

SCHOOL CONSTRUCTION AND REPLACEMENT GENERAL
OBLIGATION BONDS - \$456,056,000

The Board of Directors of Auburn School District No. 408 approved a proposition for bonds. This proposition would authorize the District to construct and equip two new elementary schools; rebuild Olympic Middle School and Chinook, Dick Scobee, Lea Hill, Pioneer, and Terminal Park Elementary schools, increasing enrollment capacity and accommodating class size reduction; to issue \$456,056,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, all as provided in Resolution No. 1220. 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 King County Elections and a courtesy copy to the Pierce County Auditor.

Section 6. Notices relating to Ballot Title. 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) Assistant Superintendent of Business & Operations (Cindi Blansfield), telephone 253.931.4930; fax: 253.931.8006; email: cblansfield@auburn.wednet.edu, and (b) bond counsel, K&L Gates LLP (Cynthia Weed), telephone: 206.370.7801; fax: 206.623.7022; email: cynthia.weed@klgates.com, as the individuals to whom King County Elections shall provide such notice. The Secretary of the Board is authorized to approve changes to the ballot title, if

any, deemed necessary by King County Elections or the Office of the King County Prosecuting Attorney.

Section 7. Voters' Pamphlet. Pursuant to authority granted by RCW 29A.32.220, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the November 8, 2016 election and requests that King County Elections and Pierce County Elections prepare and publish a voters' pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

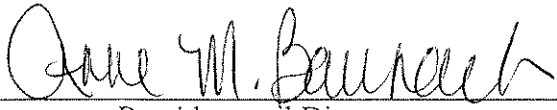
Section 8. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board of Directors hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Superintendent and/or Assistant Superintendent, Business and Operations 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 9. 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 10. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Auburn School District No. 408, King and Pierce Counties, Washington, at a regular meeting held this 13th day of June, 2016.

AUBURN SCHOOL DISTRICT NO. 408, KING AND PIERCE COUNTIES, WASHINGTON



President and Director



Director



Director



Director



Director

ATTEST:



Secretary of the Board of Directors