

LA CENTER SCHOOL DISTRICT NO. 101
CLARK COUNTY, WASHINGTON

BONDS FOR SCHOOL CONSTRUCTION,
ATHLETIC FACILITIES AND LAND ACQUISITION

RESOLUTION NO. 2007/2008-3

A RESOLUTION of the Board of Directors of La Center School District No. 101, Clark County, Washington, providing for the submission to the voters of the District at a special election to be held therein on May 20, 2008, of a proposition authorizing the District to issue general obligation bonds in the principal amount of no more than \$32,000,000 (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 constructing a second elementary school at the Bolen Road site, constructing new athletic facilities at La Center High School, acquiring land for future needs and constructing an offsite school bus facility, 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 Secretary to the Board to receive notice of the ballot title from the Auditor of Clark 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 as the District official authorized to file with the State Treasurer, on behalf of the District, the request for a Certificate of Eligibility.

ADOPTED: FEBRUARY 12, 2008

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LA CENTER SCHOOL DISTRICT NO. 101, CLARK COUNTY, WASHINGTON, as follows:

Section 1. The Board of Directors (the "Board") of La Center School District No. 101, Clark County, Washington (the "District"), hereby makes the following findings and determinations:

(a) Increasing enrollment demands and the resulting overcrowding of existing school and athletic facilities, together with the existing condition and capacity of the high school stadium require that the District construct a second elementary school at the Bolen Road site, construct new athletic facilities at La Center High School, acquire land for future needs and construct an offsite school bus facility, 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 \$32,000,000 (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) Construct a second elementary school at the Bolen Road site, all as deemed necessary and advisable by the Board.

(b) Construct new athletic facilities at La Center High School, including, but not limited to: construct a new stadium/track complex and second gymnasium with multipurpose mat room; and make other capital improvements, all as deemed necessary and advisable by the Board.

(c) Acquire land and interests in land as sites for future facility needs of the District, including, but not limited to, pay, refund, defease or retire the District's outstanding Limited General Obligation Bond, 2006 and/or other bonds or obligations issued or incurred by the District to acquire such land and interests in land pending the issuance of the Bonds, all as deemed necessary and advisable by the Board.

(d) Construct an offsite school bus facility on a site to be determined by the Board, all as deemed necessary and advisable by the Board.

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

(f) Pay incidental costs incurred in connection with carrying out and accomplishing the foregoing 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; necessary and related engineering, architectural, planning, consulting, inspection and testing costs; administrative and relocation expenses; site acquisition and improvement; demolition; 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.

Section 4. The Auditor of Clark 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 May 20, 2008, 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 and sell 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 20 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 proceeds of the Bonds.

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”) 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 make the following described capital improvements, which are collectively referred to herein as the “Excess State Financing Assistance Improvements”: (a) make certain transportation improvements, including, but not limited to: (i) make traffic flow improvements at the K-8 Campus; (ii) convert existing bus garage into a maintenance facility; (iii) make other transportation-related improvements; and (iv) pay, refund, defease or retire bonds and/or obligations issued or incurred by the District to make all or a portion of the foregoing transportation improvements pending the receipt of State Financing Assistance, all as deemed necessary and advisable by the Board; and (b) acquire, construct and install all necessary furniture, equipment, apparatus, fixtures and appurtenances in the foregoing, all as deemed necessary and advisable by the Board. The provisions of Section 3(f) 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; 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.

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 Clark County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

LA CENTER SCHOOL DISTRICT NO. 101

BONDS FOR SCHOOL CONSTRUCTION,
ATHLETIC FACILITIES AND LAND ACQUISITION

The Board of Directors of La Center School District No. 101, adopted Resolution No. 2007/2008-3, concerning a proposition for school construction, athletic facilities and land acquisition. This proposition would authorize the District to construct a second elementary school at the Bolen Road site, construct new athletic facilities at La Center High School (including stadium/track complex and second gymnasium with multipurpose mat room), acquire land for future needs and construct an offsite school bus facility; issue no more than \$32,000,000 of general obligation bonds maturing within 20 years; and levy annual excess property taxes to repay the bonds, as provided in Resolution No. 2007/2008-3. Should this proposition be:

Approved

Rejected

Section 8. The Secretary or his designee is directed to (a) present a certified copy of this resolution to the Auditor at least 52 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.

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 Secretary as the individual to whom the Auditor shall provide such notice.

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 as the District official 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 La Center School District No. 101, Clark County, Washington, at a special open public meeting thereof, of which due notice was given as required by law, held this 12th day of February, 2008, the following Directors being present and voting in favor of the resolution.

LA CENTER SCHOOL DISTRICT NO. 101
CLARK COUNTY, WASHINGTON

Chair and Director

Director

Director

Director

Director

ATTEST:

MARK MANSELL
Secretary to the Board of Directors

CERTIFICATE

I, MARK MANSELL, Secretary to the Board of Directors of La Center School District No. 101, Clark County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 2007/2008-3 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a special meeting of the Board of Directors of the District (the "Board") held at the regular meeting place thereof on February 12, 2008, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect;

2. Written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board by mail or by personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix 1;

3. Written notice of the special meeting was given to each local radio or television station and to each newspaper of general circulation that has on file with the District a written request to be notified of special meetings and to any others to which such notices are customarily given by the District; and

4. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February, 2008.

LA CENTER SCHOOL DISTRICT NO. 101
CLARK COUNTY, WASHINGTON

MARK MANSELL, Secretary to the Board of
Directors

APPENDIX 1

COPY OF NOTICE OF SPECIAL MEETING