

WOODLAND SCHOOL DISTRICT NO. 404
COWLITZ AND CLARK COUNTIES, WASHINGTON

LIMITED GENERAL OBLIGATION BOND, 2012

RESOLUTION NO. 2560

A Resolution of the Board of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, providing for the issuance and sale of a limited general obligation bond of the District in the aggregate principal amount of \$400,000 for the purpose of funding eligible capital projects of the District; providing the date, form, terms, and maturity of the bond to be issued; and approving the sale of such bond.

APPROVED ON JUNE 11, 2012

PREPARED BY:

PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

WOODLAND SCHOOL DISTRICT NO. 404

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TABLE OF CONTENTS*

	<u>Page</u>
Recitals.....	1
Section 1. Definitions.....	2
Section 2. Authorization of Bonds.....	4
Section 3. Registration, Exchange and Payments.....	4
Section 4. Form of Bonds.....	6
Section 5. Execution of Bonds.....	8
Section 6. Pledge of Funds and Credit.....	9
Section 7. Lost or Destroyed Bonds.....	10
Section 8. Tax Covenants.....	10
Section 9. Sale of the Bond.....	11
Section 10. Right of Prepayment.....	11
Section 11. Further Authority.....	11
Section 12. Application of Bond Proceeds.....	11
Section 13. General Authorization and Ratification.....	12
Section 14. Severability.....	12
Section 15. Effective Date.....	12

* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 2560

A Resolution of the Board of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, providing for the issuance and sale of a limited general obligation bond of the District in the aggregate principal amount of \$400,000 for the purpose of funding eligible capital projects of the District; providing the date, form, terms, and maturity of the bond to be issued; and approving the sale of such bond.

WHEREAS, the Board of Directors (the "Board") of Woodland School District No. 404, Cowlitz and Clark Counties, Washington (the "District"), has determined that it is in the best interest of the District to fund certain qualifying capital projects of the District (the "Project"); and

WHEREAS, the District is authorized, pursuant to RCW 28A.530.080, to incur indebtedness and issue its limited general obligation bonds for the purpose of providing funds to pay the costs of the Project and the costs of issuance of such bonds; and

WHEREAS, it is deemed necessary and advisable that the District issue and sell its limited general obligation bond in the principal amount of \$400,000 (the "Bond") to pay the costs of the Project and the costs of issuance of the Bond; and

WHEREAS, the District published notice on two consecutive weeks and held an open public hearing on June 11, 2012 as required by RCW 28A.530.080(2) regarding its proposal to issue the Bond; and

WHEREAS, the District has received the offer of Columbia State Bank (the "Bank") dated May 25, 2012 set forth as Exhibit A attached hereto (the "Proposal") to purchase the Bond for the purpose of financing the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WOODLAND SCHOOL DISTRICT NO. 404, COWLITZ AND CLARK COUNTIES, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

Bank means Columbia State Bank.

Board means the duly constituted Board of Directors as the general legislative authority of the District.

Bond means the \$400,000 of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, Limited General Obligation Bond, 2012, dated as of the date of its initial delivery, issued pursuant to this resolution.

Bond Counsel means Pacifica Law Group LLP, Seattle, Washington.

Bond Register means the registration records for the Bond maintained by the Bond Registrar.

Bond Registrar means the Cowlitz County Treasurer, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of and interest on the Bond.

Closing Date means the date of initial issuance and delivery of the Bond to the Bank in exchange for the purchase price of the Bond.

Code means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

Debt Service Fund means the special fund of the District of that name created in the office of the Treasurer pursuant to RCW 28A.320.330.

Designated Representative means the Superintendent and/or the Business Manager of the District.

District means Woodland School District No. 404, Cowlitz and Clark Counties, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

Interest Rate means the fixed rate of 2.04% per annum from the Closing Date to the Maturity Date, increasing, at the election of the Bank, by 3.00% per annum in the event of nonpayment of any installment or final payment or principal and/or interest, or in the event of the loss of tax-exempt status of the Bond.

Maturity Date means June 1, 2016.

Project means energy efficiency upgrades and additions to facilities of the District.

Registered Owner means the person in whose name the Bond is registered on the Bond Register.

Treasurer means the Cowlitz County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bond. The District shall now issue and sell a bond in the principal amount of \$400,000 for the purpose of funding the Project. The bond shall be designated the “Woodland School District No. 404, Cowlitz and Clark Counties, Washington, Limited General Obligation Bond, 2012” (the “Bond”), shall be dated as of the date of its initial delivery, shall be fully registered as to both principal and interest, shall be in one denomination and shall mature on June 1, 2016.

The Bond shall bear interest from its dated date or the most recent date to which interest has been paid at the Interest Rate. Interest on the principal amount of the Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest on the Bond shall be payable in amounts as described in the payment schedule attached to the Bond.

Section 3. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar.* The Treasurer shall act as Bond Registrar. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond if

transferred or exchanged in accordance with the provisions of the Bond and this resolution and to carry out all of the Bond Registrar's powers and duties under this resolution.

(b) *Registered Ownership.* The District and the Bond Registrar may deem and treat the Registered Owner of the Bond as the absolute owner for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in subsection (e) below. All such payments made as described in subsection (e) below shall be valid and shall satisfy the liability of the District upon the Bond to the extent of the amount so paid.

(c) *No Transfer or Exchange of Registered Ownership.* The Bond shall not be transferable unless (i) the Bank's corporate name is changed and the transfer is necessary to reflect such change; or (ii) the transferee is a successor in interest of the Bank by means of a corporate merger, an exchange of stock, or a sale of assets; or (iii) the transfer is in whole to a financial institution or qualified investor and that proper action has been taken by the Bank and the transferee regarding the receipt of such information regarding the District and Bond as is necessary to comply with Rule 10b-5 of the Securities and Exchange Commission.

(d) *Registration Covenant.* The District covenants that, until the Bond has been surrendered and canceled, it will maintain a system for recording the ownership of the Bond that complies with the provisions of Section 149 of the Code.

(e) *Place and Medium of Payment.* Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal and interest on the Bond shall be payable by check or warrant or by other means mutually acceptable to the Bank and the District. Upon final payment of principal and interest of the Bond, the Registered Owner shall surrender the Bond for cancellation at the office of the Bond Registrar in accordance with this

Section 3 and Section 7.

Section 4. Form of Bond. The Bond shall be in substantially the following form:

NO. R-1 UNITED STATES OF AMERICA \$400,000

STATE OF WASHINGTON
WOODLAND SCHOOL DISTRICT NO. 114,
COWLITZ AND CLARK COUNTIES

LIMITED GENERAL OBLIGATION BOND, 2012

INTEREST RATE: 2.04% PER ANNUM
MATURITY DATE: JUNE 1, 2016
REGISTERED OWNER: COLUMBIA STATE BANK
TAX IDENTIFICATION: 91-0897063
PRINCIPAL AMOUNT: FOUR HUNDRED THOUSAND AND NO/100 DOLLARS

WOODLAND SCHOOL DISTRICT NO. 404, COWLITZ AND CLARK COUNTIES, WASHINGTON, (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date above, the Principal Amount indicated above and to pay interest thereon, at the Interest Rate, as set forth in the Payment Schedule attached hereto, and by this reference incorporated herein. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal and interest on this bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the District. Upon final payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with RESOLUTION NO. 2560 of the District (the "Bond Resolution").

This bond is issued pursuant to the Bond Resolution, to provide the funds necessary to provide funds for technology upgrades and additions to facilities of the District and to pay the costs of issuance of this bond.

The District may prepay this bond as provided in the Bond Resolution. All prepayments shall be applied to installments of principal coming due on this bond in reverse order of their

maturities.

The bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Board of Directors.

This bond is not a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). This bond is not a “qualified tax-exempt obligation” under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

This bond is a general obligation of the District, and the full faith, credit and resources of the District are hereby irrevocably pledged for the repayment of this bond; *provided, however*, that no pledge of tax levies is made with respect to payment of any obligation hereunder.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF, Woodland School District No. 404, Cowlitz and Clark Counties, Washington has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board and a facsimile of the seal of the District to be imprinted or impressed hereon as of this ____ day of June, 2012.

WOODLAND SCHOOL DISTRICT NO.
404, COWLITZ AND CLARK COUNTIES,
WASHINGTON

By _____ /s/ facsimile _____
President, Board of Directors

ATTEST:

/s/ facsimile
Secretary, Board of Directors

The Bond Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of the County Treasurer (the "Bond Registrar"), as to both principal and interest, as Bond Registrar in the registration blank below. All payments of principal of and interest on this bond shall be made by the District from the District's Debt Service Fund.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2012	Columbia State Bank 719 2 nd Avenue, Suite 500 Seattle, WA 98104-1728	_____ District Treasurer

PAYMENT SCHEDULE

Principal and interest on this bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment
12/01/2012	\$ 38,137.93	\$ 3,128.00	\$ 41,265.93
06/01/2013	50,134.13	3,690.99	53,825.12
12/01/2013	50,645.50	3,179.62	53,825.12
06/01/2014	51,162.08	2,663.04	53,825.12
12/01/2014	51,683.94	2,141.19	53,825.13
06/01/2015	52,211.11	1,614.01	53,825.12
12/01/2015	52,743.66	1,081.46	53,825.12
06/01/2016	53,281.65	543.47	53,825.12
	<u>\$ 400,000.00</u>	<u>\$ 18,041.79</u>	<u>\$ 418,041.79</u>

Section 5. Execution of Bond. The Bond shall be executed on behalf of the District with the facsimile or manual signatures of the President and Secretary of its Board of Directors, and shall have the seal of the District impressed or imprinted thereon. In case either or both of the officers who have signed or attested any of the Bond cease to be such officer before such Bond have been actually issued and delivered, such Bond shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such

Bond had not ceased to be such officers, and any Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the District.

The Bond must bear a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, to be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution.

Section 6. Pledge of Funds and Credit. There has heretofore been created a special fund of the District in the office of the Treasurer known as the “Debt Service Fund” (the “Debt Service Fund”), which fund shall be drawn upon for the purpose of paying the principal of and interest on the Bond. The District irrevocably covenants that it will use money in the Capital Projects Fund, the General Fund or other funds legally available therefor to pay the principal of and interest on the Bond as the same shall become due. The Bond does not require approval by a vote of the electors of the District. Accordingly, the District is not authorized nor is the District obligated to levy taxes to pay principal of and interest on the Bond. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

Section 7. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like amount, maturity and tenor to the Registered Owner upon the owner's paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond and upon its filing with the Bond Registrar and the District evidence satisfactory to both that such Bond was actually lost, stolen or destroyed and of its ownership, and upon furnishing the District and the Bond Registrar with indemnity reasonably satisfactory to both.

Section 8. Tax Covenants. The District shall comply with the provisions of this section unless, in the written opinion of Bond Counsel to the District, such compliance is not required to maintain the exemption of the interest on the Bond from federal income taxation.

The District hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the District which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code and the applicable regulations thereunder that will cause the Bond to be an "arbitrage bond" within the meaning of such Section and regulations. The District will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

The District further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a "private activity bond" under Section 141 of the Code.

The District does not designate the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code.

Section 9. Sale of the Bond. The Bond shall be sold by negotiated sale to the Bank pursuant to the terms of the Proposal and in this resolution. The Proposal is hereby in all respects accepted and approved, and by reference is incorporated herein. The Designated Representative is authorized and directed to execute the Proposal on behalf of the District.

Section 10. Right of Prepayment. The Bond may be prepaid at any time prior to its stated maturity date at par plus accrued interest to the date of prepayment. The District will provide the Bank with written notice of any intended prepayment at least three days prior to such prepayment date. If a partial prepayment of principal shall occur, the principal column of the “Payment Schedule” attached to the Bond (as set forth in Section 4 of this resolution) shall remain unchanged until all principal of the Bond has been repaid, but the “Interest” column shall be recalculated to reflect the actual accrued interest on the reduced principal balance of the Bond.

Section 11. Further Authority. The District officials, their agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Bond and for the proper use and application of the proceeds of such sale.

Section 12. Application of Bond Proceeds. The net proceeds derived from the Bond shall be deposited into the Capital Projects Fund and shall be expended solely to pay the cost of issuing and selling the Bond and the costs of the Project. None of the proceeds of the Bond shall be used for any purpose other than an eligible capital purpose under RCW 28A.530.080. Proceeds of the Bond may be invested by the Treasurer at the direction of the District in any legal investment for funds of school districts in the State of Washington.

Section 13. General Authorization and Ratification. The Designated Representative of the District is authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified.

Section 14 Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, at a regular meeting thereof held this 11th day of June, 2012.

WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNTIES,
WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Woodland School District No. 404, Cowlitz and Clark Counties, Washington (the "District"), and keeper of the records of the Board (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of RESOLUTION NO. 2560 of the Board (the "Resolution"), duly passed at a regular meeting thereof held on June 11, 2012.

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 passage of said Resolution; that all other requirements and proceedings incident to the proper passage 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 11th day of June, 2012.

Secretary, Board of Directors