

RIVERVIEW SCHOOL DISTRICT NO. 407,  
KING COUNTY, WASHINGTON

LIMITED GENERAL OBLIGATION BOND, 2020

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RESOLUTION NO. 20-06

A RESOLUTION of Riverview School District No. 407, King County, Washington, providing for the issuance and sale of a limited general obligation bond in the principal amount of \$2,500,000, to provide funds for the acquisition of land within the District and to pay the costs of issuance of said bond; providing the date, form, and repayment terms of said bond and for the pledge of funds to pay the principal thereof and interest thereon; and approving the sale of such bond.

ADOPTED JUNE 9, 2020

PREPARED BY:

K&L GATES LLP  
Seattle, Washington

RIVERVIEW SCHOOL DISTRICT NO. 407,  
KING COUNTY, WASHINGTON

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LIMITED GENERAL OBLIGATION BOND, 2020

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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, the Board of Directors (the “Board”) of Riverview School District No. 407, King County, Washington (the “District”), has determined that it is in the best interest of the District to acquire land located at 29131 NE 150th Street and 29201 NE 150th Street in Duvall, Washington, to be used for District purposes (the “Project”); and

WHEREAS, the District is authorized, pursuant to RCW 28A.530.080, to incur indebtedness and issue a limited general obligation bond to finance the costs of the Project and the costs of issuance of such bond; and

WHEREAS, pursuant to published notice, the District has held a public hearing on the issuance of a bond as required by RCW 28A.530.080; and

WHEREAS, the District has received the offer of Kitsap Bank, Port Orchard, Washington (the “Bank”), to purchase the limited general obligation bond of the District in the principal amount of \$2,500,000 (the “Bond”), and the Board wishes to accept such offer on the terms and conditions set forth therein and herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVERVIEW SCHOOL DISTRICT NO. 407, KING COUNTY, WASHINGTON, as follows:

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

***Bank*** means Kitsap Bank, Port Orchard, Washington.

***Bank Proposal*** means the commitment letter from the Bank to the District, dated May 11, 2020, to purchase the Bond as approved pursuant to Section 11 of this resolution, and attached as Exhibit A.

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

***Bond*** means the Riverview School District No. 407, King County, Washington, Limited General Obligation Bond, 2020, in the principal amount of \$2,500,000, issued pursuant to this resolution.

***Bond Register*** means the registration records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

***Bond Registrar*** means initially, the fiscal agent of the State of Washington, 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 and shall include any successor institution appointed as Bond Registrar by the Treasurer as permitted by law.

***Capital Projects Fund*** means the fund of the District established pursuant to RCW 28A.320.330(2).

***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 fund of that name established pursuant to RCW 28A.320.330(3).

***District*** means Riverview School District No. 407, King County, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

***Fiscal Year*** means September 1st through August 31st unless changed pursuant to applicable law.

***General Fund*** means the fund of the District established pursuant to RCW 28A.320.330(1).

***Project*** means the acquisition of land at 29131 NE 150th Street and 29201 NE 150th Street in Duvall, Washington to be used for District purposes.

***Rule*** means the United States Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

***Treasurer*** means the King County Department of Executive Services Finance and Business Operations Division, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

**Section 2. Authorization of Bond.** For the purpose of providing financing to pay a portion of the costs of the Project and to pay costs of issuance, shall now issue and sell to the Bank its limited general obligation bond in the principal amount of \$2,500,000 (the “Bond”). The Bond shall be designated “Riverview School District No. 407, King County, Washington, Limited General Obligation Bond, 2020,” shall be dated as of the date of its delivery to the Bank, shall be fully registered as to both principal and interest, shall be issued as a single fully registered bond, and shall be numbered R-1.

The Bond shall bear interest on unpaid principal from its date or the most recent date to which interest has been paid at the rates shown in the Bank’s Proposal. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Payments of interest shall be made payable on the first days of each June and December, commencing on December 1, 2020, at

the rates set forth in the Bank Proposal and as shown on the Bond. Payments of principal shall be made annually in the amounts set forth in the Bank Proposal, and as shown on the Bond, on the 1st day of each June, beginning June 1, 2021, with the final payment of all outstanding principal, together with interest thereon, on June 1, 2030.

Section 3.     Registration and Payments. The District hereby requests that the Treasurer appoint the fiscal agent of the State of Washington to act as the Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check mailed no later than the date due or by wire, or electronic transfer on the date due to the Bank; *provided, however*, upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond is not transferable, except in whole to a successor financial institution or another financial institution or qualified institutional buyer. In the event that the Bond is transferred, then following such transfer, the duties and options ascribed to the Bank in this resolution shall be transferred to such qualified institution.

Section 4.     Prepayment. The District reserves the right to prepay principal of the Bond in advance of the scheduled payments, in whole or in part, at any time, with no prepayment penalty. The District will notify the Bank at least fifteen (15) days in advance of its intent to prepay. Prepayments shall be applied to principal in order of maturity without re-amortization; however,



06/1/2027	258,000.00	2.41	13,509.20	271,509.20
12/01/2027	--	--	10,400.30	10,400.30
06/1/2028	264,000.00	2.49	10,400.30	274,400.30
12/01/2028	--	--	7,113.50	7,133.50
06/1/2029	270,000.00	2.58	7,113.50	277,113.50
12/01/2029	--	--	3,630.50	3,630.50
06/1/2030	274,000.00	2.65	3,630.50	277,630.50

This bond is issued pursuant to Resolution No. 20-06 of the District adopted on June 9, 2020 (the “Bond Resolution”). The definitions contained in the Bond Resolution shall apply to capitalized terms contained herein.

Both principal of and interest on this bond is payable in lawful money of the United States of America and shall be payable at maturity of the Bond. Installments of the principal of and interest on this bond shall be paid by check or draft of the bond registrar, initially the fiscal agent of the State of Washington, currently U.S. Bank National Association (the “Bond Registrar”) mailed on the date such interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and the Bond Resolution for the purpose of providing financing to pay a portion of the price of the acquisition of land to be used for District purposes.

This bond is a limited general obligation of the District. The full faith, credit and resources of the District are pledged for the prompt payment of such principal and interest; provided, however, that the District is not authorized to levy any taxes for the payment of this bond.

This bond may be prepaid at any time, upon 15 days notice to the Bank, with prepayments to apply first to interest and then to principal. Prepayments shall be applied to principal in order of maturity without re-amortization; however, the semiannual payments shown above shall be adjusted to reflect lower interest cost due to principal prepayment.

This bond is not transferable, except in whole to a successor financial institution or another financial institution or qualified institutional buyer.

This bond is not a “private activity bond.” The District has designated this bond as a “qualified tax-exempt obligation” for investment by financial institutions pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

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 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 indebtedness that the District may incur.

IN WITNESS WHEREOF, the Riverview School District No. 407, King County, Washington, has caused this bond to be signed with the manual or facsimile signature of the President and Secretary of its Board of Directors, as of this \_\_\_\_ day of \_\_\_\_\_, 2020.

RIVERVIEW SCHOOL DISTRICT  
NO. 407, KING COUNTY,  
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:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is the bond described in the within-mentioned Bond Resolution and is the Limited General Obligation Bond, 2020 of the Riverview School District No. 407, King County, Washington, dated \_\_\_\_\_, 2020.

WASHINGTON STATE FISCAL AGENT,  
Bond Registrar

By \_\_\_\_\_  
Authorized Signer

Section 6. Execution and Delivery of Bond. The Bond shall be executed on behalf of the District with the manual or facsimile signatures of the President and Secretary of its Board of Directors. The Bond shall not be valid or obligatory for any purpose or entitled to the benefits of

this resolution unless and until a Certificate of Authentication, in the form hereinbefore recited, has been manually executed by or on behalf of the Bond Registrar or its duly designated agent.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the District before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the District, the Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bond may also be signed and attested on behalf of the District by such persons who are at the actual date of delivery of the Bond, the proper officers of the District although at the original date of the Bond any such person shall not have been such officer of the District.

Section 7. Lost, Destroyed or Mutilated Bond. In the event the Bond is lost, destroyed, or mutilated, the District will cause to be issued a new Bond, substantially similar to the original, to replace the same, in such manner and upon such reasonable terms and conditions as the Bond Registrar may from time to time determine.

Section 8. Application of Bond Proceeds. The proceeds of the sale of the Bond shall be deposited in the Capital Projects Fund of the District and shall be used, together with other moneys on deposit therein and available therefor, for the undertaking of the Project, and for paying all expenses incidental thereto (including but not limited to costs of issuance of the Bond, engineering, financing, legal or any other incidental costs), as authorized herein.

Section 9. Pledge of Funds and Credit. To pay principal of and interest on the Bond as the same shall become due, the District hereby irrevocably covenants that it will use money in the Capital Projects Fund, the General Fund or other funds legally available therefor. The Bond does not require approval by a vote of the electors of the District. Accordingly, the District is not authorized 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. The District anticipates the payment of the principal of the Bond will be made from tax collections from the District's voter approved capital projects levy.

Section 10. Tax Covenants; Special Designation. 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 that may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code that will cause the Bond to be an "arbitrage bond" within the meaning of said section and said 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 hereby designates the Bond as a "qualified tax-exempt obligation" for investment by financial institutions under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions. The District does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during the year 2020 (excluding obligations permitted by the Code to be excluded for purposes of the District's qualification as a qualified small issuer).

Section 11. Sale of the Bond. The District hereby ratifies and confirms its acceptance of the Bank Proposal, which by this reference is hereby incorporated herein, to purchase the Bond on the terms specified therein and in this resolution. The proper District officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the

Bond to the Bank and for the proper application and use of the proceeds of sale thereof. The District will pay no fees to the Bank in connection with the issuance of the Bond.

Section 12. Financial Reporting of the District. The Bond is not subject to the Rule, and the District makes no undertaking regarding ongoing disclosure with respect to the Bond. The District shall provide the Bank its annual financial statements (including audited statements when received) for as long as the Bond is outstanding and held by the Bank, which are anticipated to be received by the District from the Office of the Washington State Auditor within 270 days after the close of each Fiscal Year.

Additionally, the District shall promptly provide the Bank with a copy of its annual budget for each Fiscal Year, and such other information of the District as the Bank may from time to time reasonably request.

Section 13. Resolution and Laws a Contract with the Bank. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 28A of the Revised Code of Washington, as amended and supplemented. In consideration of the loan made by the Bank, evidenced by the Bond, the provisions of this resolution and of said laws shall constitute a contract with the Bank, and the obligations of the District and its Board under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bond set forth shall be for the equal benefit of the Bank and any permitted transferee or assignee.

Section 14. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the District shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements 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 Riverview School District No. 407, King County, Washington, at a regular meeting thereof held this 9th day of June, 2020.

RIVERVIEW SCHOOL DISTRICT NO. 407,  
KING COUNTY, WASHINGTON

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Directors

ATTEST:

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Secretary, Board of Directors

EXHIBIT A  
BANK PROPOSAL



May 11, 2020

Ms. Meisha Robertson  
Riverview School District  
LGO Bond Terms

Dear Meisha,

Thank you for the opportunity to propose on the District's borrowing request. If Kitsap Bank (the "Bank") is selected, the following terms below will apply.

1. Borrower: Riverview School District (the "District")
2. Amount: Up to \$2,500,000
3. Form: Fully registered, tax exempt, Limited General Obligation bonds (the "Bonds") issued by the District and purchased by the Bank at private sale.
4. Purpose: Provide proceeds for property acquisition
5. Terms: The Bonds will mature on June 1, 2030 and will bear interest as indicated on the attached amortization schedule which assumes closing occurs on June 15, 2020 and principal payments are made annually beginning on June 1, 2021 and interest payments are made semi-annually beginning on December 1, 2020. The Bonds will bear interest at a fixed rate per annum on a 30/360 basis.
6. Prepayment: The District may prepay the Bonds, in whole or in part, at any time at no cost. Partial principal prepayments will be applied to the next scheduled amount due in succession up to the final amount due for complete repayment. The District will provide the Bank with written notice of any intended prepayment at least 15 days prior to such prepayment date.
7. Fees: No fees will be charged for this credit facility. All legal costs incurred by the District for purposes of issuing the Bonds will be the responsibility of the District.
8. Transferability: The Bank will hold the Bonds with no intent to sell or transfer. However, the Bonds will include provisions allowing transfer to another qualified purchaser.
9. Additional Terms: The Bond documents will be in the standard forms customarily required by the Bank for municipal funding and may include additional terms and conditions not discussed above. At the date of closing, the Bonds, the

[kitsapbank.com](http://kitsapbank.com)

519 Bay Street Port Graham WA 98288 Tel: 360 280

financial condition and credit of the District and all other features of this transaction will be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the District, including litigation involving or claims filed against the District, any offers or commitments will terminate upon notice by the Bank. The Bonds will comply with all requirements of the Internal Revenue Code of 1986, as amended, and the interest on the Bonds shall be excluded from gross income for federal income tax purposes and such interest will not be an item of tax preference for purposes of the federal alternative minimum tax. The District will provide the Bank with annual financial statements during the period the Bonds are outstanding and held by the Bank.

10. Expiration: If not accepted, these terms will expire without notice on May 29, 2020. If accepted, these terms will expire without notice if the Bond has not closed by June 30, 2020.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

Thank you again for considering Kitsap Bank.

Sincerely,



Alan K. Crain, CPA  
FVP & Chief Financial Officer  
360-876-7867

[kitsapbank.com](http://kitsapbank.com)

610 Bay Street | Port Orchard, WA 98365 | 360.675.7600

**Riverview School District**  
**Proposed Amortization Schedule and Rates**

Estimated Settle	6/15/2020
Bond Proceeds	2,500,000
Interest Cost	340,675
Term	10
Weighted Average Life	5.51
True Interest Cost	2.42%
Weighted Average Coupon	2.27%

**Bond - Debt Service Schedule**

<u>Date</u>	<u>Principal Payment (Advance)</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Due</u>	<u>Cash Flow</u>
06/15/2020	(2,500,000.00)		\$ 2,500,000.00		\$ 2,500,000.00
12/01/2020	-		2,500,000.00	26,208.40	(26,208.40)
06/01/2021	228,000.00	1.77%	2,272,000.00	28,418.75	(256,418.75)
12/01/2021	-		2,272,000.00	26,400.95	(26,400.95)
06/01/2022	230,000.00	1.86%	2,042,000.00	26,400.95	(256,400.95)
12/01/2022	-		2,042,000.00	24,261.95	(24,261.95)
06/01/2023	236,000.00	1.99%	1,806,000.00	24,261.95	(260,261.95)
12/01/2023	-		1,806,000.00	21,913.75	(21,913.75)
06/01/2024	241,000.00	2.16%	1,565,000.00	21,913.75	(262,913.75)
12/01/2024	-		1,565,000.00	19,310.95	(19,310.95)
06/01/2025	247,000.00	2.29%	1,318,000.00	19,310.95	(266,310.95)
12/01/2025	-		1,318,000.00	16,482.80	(16,482.80)
06/01/2026	252,000.00	2.36%	1,066,000.00	16,482.80	(268,482.80)
12/01/2026	-		1,066,000.00	13,509.20	(13,509.20)
06/01/2027	258,000.00	2.41%	808,000.00	13,509.20	(271,509.20)
12/01/2027	-		808,000.00	10,400.30	(10,400.30)
06/01/2028	264,000.00	2.49%	544,000.00	10,400.30	(274,400.30)
12/01/2028	-		544,000.00	7,113.50	(7,113.50)
06/01/2029	270,000.00	2.58%	274,000.00	7,113.50	(277,113.50)
12/01/2029	-		274,000.00	3,630.50	(3,630.50)
06/01/2030	274,000.00	2.65%	-	3,630.50	(277,630.50)

NOTE: This schedule is proposed by Kitsap Bank. The closing date and timing of payments may be altered by the District if mutually agreed to by the Bank. If changed, a final debt service schedule will be provided prior to closing.

[kitsapbank.com](http://kitsapbank.com)

610 Bay Street | Port Orchard, WA 98365 | 360.675.7600

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Riverview School District No. 407, 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. 20-06 of the Board (the “Bond Resolution”), duly adopted at a regular meeting thereof held on the 9th day of June, 2020.

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 the resolution; that all other requirements and proceedings incident to the proper adoption of the 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 9th day of June, 2020.

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Secretary, Board of Directors