

SHELTON SCHOOL DISTRICT NO. 309
MASON COUNTY, WASHINGTON

RESOLUTION NO. 18-09

A RESOLUTION of the Board of Directors of Shelton School District No. 309, Mason County, Washington ("Shelton"), approving a nonhigh capital contribution agreement concerning the contribution by Southside School District No. 42, Mason County, Washington ("Southside") of Southside's share of the costs of expanding and renovating Shelton High School within Shelton, a designated high school district; and providing for all other matters properly related thereto, all as more particularly set forth herein.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHELTON SCHOOL DISTRICT NO. 309, MASON COUNTY, WASHINGTON, as follows:

Section 1. Recitals. The Board of Directors (the "Board") of Shelton School District No. 309, Mason County, Washington ("Shelton"), takes note of the following facts and hereby makes the following findings and determinations:

(a) Shelton is a high school district organized under Title 28A RCW and the Washington Constitution.

(b) Southside School District No. 42, Mason County, Washington ("Southside") is a nonhigh school district organized under Title 28A RCW and the Washington Constitution.

(c) Shelton is a designated high school district for Southside. Southside high school students attend Shelton High School.

(d) Shelton's voters approved a proposition on February 14, 2017, authorizing Shelton to issue its unlimited tax general obligation bonds in the principal amount of no more than \$64,778,906 (the "Bonds"), to pay costs of, among other capital projects, expanding and renovating Shelton High School (the "High School Project"). Pursuant to this authorization, Shelton issued the Bonds.

(e) The best interests of Southside's students and taxpayers are achieved by sharing the cost of the High School Project because Shelton High School serves Southside high school students as a designated high school district. Southside's share of the cost of the High School Project to be paid to Shelton is \$450,723 (the "Southside Contribution"). Southside anticipates submitting a capital levy to its voters on February 12, 2019, to generate sufficient revenue to pay the Southside Contribution.

(f) Washington high and nonhigh school districts may enter into financing arrangements to provide capital funding for high school facilities without proceeding under the statutory procedures or other requirements of chapter 28A.540 RCW.

(g) In accordance with its authority under RCW 28A.320.010, 28A.320.015, 28A.320.035 and the laws of the state of Washington, the Board has determined that it will be in the

best interests of Shelton's students and taxpayers to enter into a nonhigh capital contribution agreement with Southside outside of chapter 28A.540 RCW regarding the Southside Contribution.

Section 2. Approval of Agreement. The Board hereby approves the nonhigh capital contribution agreement concerning the Southside Contribution in substantially the form attached hereto as Appendix "1" and by this reference incorporated herein (the "Agreement"), together with such additional modifications, if any, as may be approved by the Secretary to the Board (the "Secretary"). The Board further authorizes execution of the Agreement by the Secretary.

Section 3. All Other Action; Ratification. The Secretary, the District's Executive Director, Finance, the President of the Board, other appropriate officers of the District and special counsel, Foster Pepper PLLC, are severally authorized and directed to take such actions and to execute such documents as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are hereby ratified and confirmed in all respects.

Section 4. Effective Date. This resolution is effective immediately upon its adoption.

ADOPTED by the Board of Directors of Shelton School District No. 309, Mason County, Washington, at a regular open public meeting thereof, held this 13th day of November, 2018, the following Directors being present and voting in favor of the resolution.

SHELTON SCHOOL DISTRICT NO. 309
MASON COUNTY, WASHINGTON

Keri David
President and Director

Louisa Russell
Vice President and Director

Sally A Brownfield
Director

Sally J Kern
Director

[Signature]
Director

ATTEST:

Alex P. Apostle
ALEX P. APOSTLE
Secretary to the Board of Directors

APPENDIX "1"

Form of Nonhigh Capital Contribution Agreement

NONHIGH CAPITAL CONTRIBUTION AGREEMENT

SHELTON SCHOOL DISTRICT No. 309, MASON COUNTY, WASHINGTON, AND
SOUTHSIDE SCHOOL DISTRICT No. 42, MASON COUNTY, WASHINGTON

1. AGREEMENT

This **NONHIGH CAPITAL CONTRIBUTION AGREEMENT** (this "**Agreement**") is made and entered between Shelton School District No. 309, Mason County, Washington ("**Shelton**") and Southside School District No. 42, Mason County, Washington ("**Southside**"), each a political subdivision and municipal corporation of the state of Washington (collectively, the "**Districts**"). The Districts agree as follows:

2. RECITALS

2.1 Shelton is a high school district organized under Title 28A RCW and the Washington Constitution.

2.2 Southside is a nonhigh school district organized under Title 28A RCW and the Washington Constitution.

2.3 Shelton is a designated high school district for Southside. Southside high school students attend Shelton High School.

2.4 Shelton's voters approved a proposition on February 14, 2017, authorizing Shelton to issue its unlimited tax general obligation bonds in the principal amount of no more than \$64,778,906 (the "**Bonds**"), to pay costs of, among other capital projects, expanding and renovating Shelton High School (the "**High School Project**"). Pursuant to this authorization, Shelton issued the Bonds.

2.5 Shelton and Southside agree that the best interests of their students and taxpayers are achieved by sharing the cost of the High School Project. The Districts further agree that Southside's share of the cost of the High School Project to be paid to Shelton is \$450,723 (the "**Southside Contribution**"). Southside anticipates submitting a capital levy to its voters on February 12, 2019, to generate sufficient revenue to pay the Southside Contribution (the "**Southside Levy**").

2.6 Washington high and nonhigh school districts may enter into cooperative financing arrangements to provide capital funding for high school facilities without proceeding under the statutory procedures or other requirements of chapter 28A.540 RCW.

2.7 Under RCW 28A.320.010, 28A.320.015, 28A.320.035 and the laws of the state of Washington, Shelton and Southside enter into this Agreement outside of chapter 28A.540 RCW regarding Southside's nonhigh capital contribution to the High School Project.

3. NONHIGH CAPITAL CONTRIBUTION

3.1 If Southside's voters approve the Southside Levy, Southside agrees to pay the Southside Contribution to Shelton under the following four-year payment plan: eight

approximately equal semiannual installments of \$56,340.37, on each June 1 and December 1, commencing on June 1, 2020, to and including December 1, 2023, with the final installment payment in an amount equal to the remaining amount due.

3.2 It is the intent of the Districts that the payment plan coincide with the tax collections of the Southside Levy. However, nothing in this Agreement prohibits Southside from making the Southside Contribution from other available money as Southside may determine or under an alternate payment schedule mutually agreed to by the Districts.

3.3 Prior to December 31, 2019, the Districts may not submit a written request to the applicable regional committee on school district organization under RCW 28A.540.020 or otherwise take action under chapter 28A.540 RCW with respect to Southside's participation in providing capital funds for the High School Project.

3.4 For the avoidance of doubt, nothing in this Agreement requires the Districts to submit a written request to the regional committee on school district organization under RCW 28A.540.020 or otherwise proceed under chapter 28A.540 RCW if Southside does not make the Southside Contribution as contemplated by this Agreement.

3.5 Upon final payment of the Southside Contribution to Shelton, the Districts may no longer submit written requests to the applicable regional committee on school district organization under RCW 28A.540.020 or otherwise take action under chapter 28A.540 RCW with respect to Southside's participation in providing capital funds for the High School Project, unless mutually agreed to by the Districts.

4. GENERAL

4.1 Entire Agreement; Amendment; Modification. This Agreement constitutes the entire and exclusive agreement between the Districts relating to the specific matters covered in this Agreement. All prior or contemporaneous verbal or written agreements, understandings, representations or practices relative to the foregoing are superseded, revoked and rendered ineffective for any purpose.

4.2 Governing Laws. This Agreement is governed and construed in accordance with the laws of the State of Washington. Venue in connection with any legal proceeding seeking enforcement of the provisions hereof is proper only in the Superior Court of the state of Washington for Mason County.

4.3 No Beneficiaries. There are no third party beneficiaries to this Agreement.

4.4 Severability. The invalidity of any provision of this Agreement will not affect the validity of the remaining provisions of this Agreement.

4.5 Counterparts. This Agreement may be signed in counterparts and, if so signed, will be one integrated agreement.

4.6 Effective Date. This Agreement is effective following approval by each of the Districts' Boards of Directors and as of the date of the last approving signature below.

Dated 11-13-18, 2018. Dated _____, 2018.

Shelton School District No. 309
Mason County, Washington

Southside School District No. 42
Mason County, Washington

Alex P. Apostle
Alex P. Apostle
Secretary to the Board of Directors

Doris Bolender
Secretary to the Board of Directors

CERTIFICATE

I, ALEX P. APOSTLE, Secretary to the Board of Directors of Shelton School District No. 309, Mason County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 18-09 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Directors of the District (the "Board") held at the regular meeting place thereof on November 13, 2018, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. 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 13th day of November, 2018.

SHELTON SCHOOL DISTRICT NO. 309
MASON COUNTY, WASHINGTON



ALEX P. APOSTLE

Secretary to the Board of Directors

