
Washington State School District Credit Enhancement Program Official Statement Disclosure

Rev. March 2011



SCHOOL DISTRICTS WITHOUT CERTIFICATE OF ELIGIBILITY

COVER LANGUAGE – PRELIMINARY OFFICIAL STATEMENT

A school district that has submitted a Request for Certificate of Eligibility, but has not yet been advised of its approval, may only include the following language on the cover of the Preliminary Official Statement:

Ratings: WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM: applied for

In the cover text:

*Application has been made to the State of Washington requesting approval of a Certificate of Eligibility under the
WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.*

SCHOOL DISTRICTS WITH CERTIFICATE OF ELIGIBILITY

COVER LANGUAGE – PRELIMINARY OFFICIAL STATEMENT

A school district that has received a Certificate of Eligibility may include the following language on the cover of the Preliminary Official Statement:

Ratings: See Appendix ____ attached hereto and titled “WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.”

In the cover text:

Payment of principal of and interest on the Bonds when due is guaranteed by the full faith, credit, and taxing power of the

STATE OF WASHINGTON

under the provisions of the Washington State School District Credit Enhancement Program. See Appendix ____ attached hereto and titled “WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.”

COVER LANGUAGE – OFFICIAL STATEMENT

A school district that has received a Certificate of Eligibility and issued bonds under the Certificate may include the following language on the cover of its Official Statement:

Ratings: See Appendix ____ attached hereto and titled “WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.”

In the cover text:

Payment of principal of and interest on the Bonds when due is guaranteed by the full faith, credit, and taxing power of the

STATE OF WASHINGTON

under the provisions of the Washington State School District Credit Enhancement Program. See Appendix ____ attached hereto and titled “WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM.”

BODY OF OFFICIAL STATEMENT

Under the heading “Security for the Bonds” or comparable section of the Preliminary Official Statement and the Official Statement, the following language shall be used:

Payment of principal of and interest on the Bonds when due is guaranteed by the full faith, credit and taxing power of the STATE OF WASHINGTON under the provisions of the Washington State School District Credit Enhancement Program, as described in Appendix ____ attached hereto.

APPENDIX

WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

The following information has been furnished by the State of Washington for use in this Official Statement. The issuer of the bonds offered pursuant to this Official Statement (the “Offered Bonds”) makes no representation as to the accuracy or the completeness of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Definitions

“Act” means the Washington State School District Credit Enhancement Program Act, chapter 39.98 Revised Code of Washington.

“Program” means the Washington State School District Credit Enhancement Program established by the Act.

“Program Bond” means any voted general obligation bond issued by a school district, holding a certificate issued pursuant to the Act for such a bond.

“State” means the State of Washington.

Program Provisions

Article VIII, section 1(e) of the Constitution of the State and the Act allow the State to guarantee any voted general obligation bonds issued by a school district. Payment of the principal of and interest on Program Bonds when due is guaranteed by the full faith, credit and taxing power of the State under the provisions of the Act. The Act provides as follows:

The full faith, credit, and taxing power of the State is pledged to guarantee full and timely payment of the principal of and interest on Program Bonds as such payments become due. However, in the event of any acceleration of the due date of the principal by reason of mandatory redemption or acceleration resulting from default, the payments guaranteed shall be made in the amounts and at the times as payments of principal would have been due had there not been any acceleration. The State guarantee does not extend to the payment of any redemption premium.

The Act further provides that the State pledges to and agrees with the owners of any Program Bonds that the State will not alter, impair, or limit the rights vested by the Program with respect to the Program Bonds until the Program Bonds, together with applicable interest, are fully paid and discharged. However, an alteration, impairment, or limitation of such rights is not precluded if full provision is made by law for the payment of the Program Bonds.

Program Procedures

In accordance with applicable law, the County Assessor for each school district with outstanding, unpaid Program Bonds is required to levy property taxes approved by the voters for repayment of the Program Bonds. In accordance with applicable law, the County Treasurer for each school district with outstanding, unpaid Program Bonds is required to collect property taxes approved by the voters for repayment of the Program Bonds. The County

Treasurer is required to transfer money sufficient for each scheduled debt service payment to the paying agent on or before any principal or interest payment date for the Program Bonds.

A County Treasurer who is unable to transfer to the paying agent funds required to make any scheduled debt service payments on the Program Bonds on or prior to the payment date, due to the lack of adequate funds, is required to immediately provide notice to the State Treasurer and to the paying agent. If sufficient funds are not transferred to the paying agent at the time required to make a scheduled debt service payment on the Program Bonds, the paying agent is required to immediately notify the State Treasurer.

Pursuant to the Act, the State legislature is required to appropriate, in each and every biennial appropriations act, such amount as may be required to make timely payment on the Program Bonds. If sufficient money to make any scheduled debt service payment on the Program Bonds has not been transferred to the paying agent in a timely manner, the paying agent is required to make such scheduled debt service payment and the State Treasurer is required to transfer sufficient money to the paying agent for such payment.

Each school district is responsible for paying in full the principal of and interest on its Program Bonds. The State Treasurer is required to recover from the school district any funds paid by the State on behalf of that school district under the Program. The State Treasurer will charge interest in connection with the recovery of funds under the Act. In addition to charging interest, the State Treasurer may impose a penalty on a school district for which the State made a payment under the Program, which penalty may not be more than five percent of the amount paid by the State pursuant to its guarantee for each instance in which a payment by the State is made.

A payment by the State Treasurer discharges the obligation of the school district to its Program Bond owners for the payment, but does not retire any Program Bond that has matured. The terms of that Program Bond remain in effect until the State is repaid. Any such payment by the State transfers the rights represented by the general obligation of the school district from the Program Bond owners to the State.

If the State has made all or part of a debt service payment on behalf of a school district that has issued Program Bonds, the State Treasurer may (a) direct the school district and the County Treasurer to restructure and revise, to the extent permitted by law, the collection of excess levy taxes for the payment of Program Bonds on which the State Treasurer has made payments under the Act to the extent necessary to obtain repayment to the State Treasurer; and (b) require, to the extent permitted by law, that the proceeds of such taxes be applied to the school district's obligations to the State if all outstanding obligations of the school district payable from such taxes are fully paid or their payment is fully provided for.

Outstanding Certificates of Eligibility and Outstanding Program Bonds

As of [redacted], the State has guaranteed the following under the Act (not including the Offered Bonds):

Number of school districts with Certificates of Eligibility	[redacted]
Number of Program Bond issues guaranteed	[redacted]
Aggregate total principal amount outstanding of Program Bonds guaranteed	[redacted]

Program Contact Person

Requests for information regarding the Program may be directed to:

**Office of the State Treasurer
Attn: Deputy Treasurer
Debt Management Division
Legislative Office Building 2nd Floor
P.O. Box 40200
Olympia, WA 98504 0200
Phone: (360) 902 9050 Fax: (360) 902 9045**

State of Washington - Financial and Operating Information

The State's most recent audited financial statements and the financial and operating information relating to the State included in the most recent official statement for the State's general obligation debt are on file with the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB, and are incorporated by this reference in this official statement.

State of Washington - Continuing Disclosure

The State has undertaken (the "Undertaking") to provide (1) not later than seven months after the end of each fiscal year in each fiscal year that the Offered Bonds are outstanding, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, (a) audited financial statements of the State for such fiscal year prepared (except as noted therein) in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, as such principles may be changed from time to time, except that if the audited financial statements are not available by such date, unaudited financial statements in a format similar to the audited financial statements most recently prepared for the State shall be provided, and the State's audited financial statements shall be provided when and if they become available; and (b) the historical financial and operating information relating to the State included in the most recent official statement for the State's general obligation debt; and (2) to the MSRB, in a timely manner, notice of its failure to provide the foregoing information on or prior to the date set forth in (1).

The Undertaking is subject to amendment or termination under the circumstances and in the manner permitted by SEC Rule 15c2-12.

The right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific performance of the State's obligations thereunder, and any failure by the State to comply with the provisions of the Undertaking shall not be a default with respect to the Offered Bonds. The Undertaking inures to the benefit of the State and the issuer, any underwriter and any holder of the Offered Bonds, and does not inure to the benefit of or create any rights in any other person.

**Washington
State School District Credit Enhancement Program
Bond Legend**



BOND LEGEND

A school district that has received a valid Certificate of Eligibility and issued bonds under the Certificate shall include the following language on the face of the school district's bond(s):

WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

Payment of principal of and interest on this bond, when due, is guaranteed by the full faith, credit and taxing power of the STATE OF WASHINGTON under the provisions of the Washington State School District Credit Enhancement Program.