

October 16, 1985

Ms. Lori Whitted  
Marsh & McLennan, Incorporated  
720 Olive Way  
Seattle, Washington 98101

Everett School Employee Benefit Trust

Dear Lori:

At their October 8, 1985 trust meeting, the Trustees of the above trust voted to accept the bids from Aetna for the Fidelity Bond (\$225,000 limit; annual premium of \$151) and from CHUBB for the Fiduciary Liability Insurance (\$500,000 limit; \$1,000 annual deductible; \$1,000 annual premium plus \$25 annual premium for recourse rider). The acceptance of these bids is contingent upon approval of the policy terms by the Trust Attorney, Mr. Lee Price. Please have copies of both policies forwarded to my attention as soon as possible. We have enclosed the application for the Fiduciary Liability Insurance for processing.

If you have any questions or comments, please give me a call.

Sincerely,

Thomas C. Pursley  
Consultant

TCP/jmr

cc: Lee Price  
Trustees  
Tom Staudacher

October 16, 1985

Mr. Larry Divers  
Assistant Vice President and Trust Officer  
First Interstate Bank of Washington  
Trust Division  
First Interstate Center  
Post Office Box 21927  
Seattle, Washington 98111

Everett School Employee Benefit Trust

Dear Larry:

Please be advised that the Trustees of the above trust accepted your proposal to provide investment management services at their October 8, 1985 trust meeting. We ask that your trust department coordinate the transfer of funds from their current investment status (arranged by the First Interstate Bank in Everett) to the Intermediate Government Trust as soon as possible. Obviously, the Trustees wish to avoid any early withdrawal penalties under their current investment arrangements.

It is important to note that the approval of the Trustees was based on the acknowledgment that all funds would be invested in government-backed securities. As such, investment return would reflect the return on the Intermediate Government Trust and not on First Interstate's overall portfolio performance.

Please provide the documents necessary to establish the investment management arrangement as soon as possible. We look forward to working with you on this account.

Sincerely,

Thomas C. Pursley  
Consultant

TCP/jmr

cc: Lee Price

Trustees

Tom Staudacher