

RESOLUTION 652

A RESOLUTION of the Board of Directors of Everett School District No. 2, Snohomish County, Washington to authorize a sick leave conversion medical expense reimbursement plan (VEBA III Plan) for eligible employees.

WHEREAS, the employees of Everett School District No. 2 receive sick leave benefits pursuant to the provisions of RCW 28A.400.300; and

WHEREAS, the Board of Directors has adopted per Policy No. 5340 an attendance incentive program pursuant to RCW 28A.400.210; and

WHEREAS, a school district board of directors is authorized to establish a sick leave conversion medical benefits plan for eligible employees pursuant to RCW 28A.400.210;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of Everett School District No.2 hereby adopts the VEBA III Sick Leave Conversion Medical Reimbursement Plan (hereinafter the "Plan") pursuant to RCW 28A.400.210 for the benefit of employees of each recognized represented or unrepresented group which elects such benefit annually. The District agrees to make contributions to the Plan on behalf of all employees in an electing group who are eligible to participate in the Plan by reasons of having excess sick leave conversion rights. Contributions on behalf of each eligible employee shall be based on the conversion value of sick leave days accrued by such employee available for conversion on an annual basis and at retirement in accordance with RCW 28A.400.210. All eligible employees must sign and submit to the District a hold harmless agreement complying with the statute. Eligible employees who fail to sign and submit such agreement to the District will not be permitted to participate in the Plan at any time during the term of the group's participation in this Plan, and any and all excess sick leave which in the absence of the Plan would accrue to such employee during the term hereof shall be forfeited together with all cash conversion rights that pertain to such excess sick leave.

Retirement Sick Leave Conversion: For purposes of retirement contributions to the Plan, all employees covered by this Plan who retire during the term hereof shall be eligible and excess sick leave shall be defined as the unused sick leave days accruing to the credit of such employee from the date of an agreement or decision adopting this Plan.

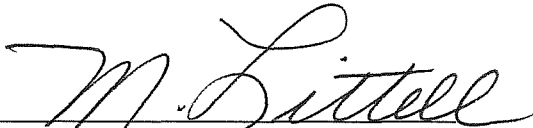
Annual Sick Leave Conversion: Eligibility for participating on an annual basis is limited to employees who have accumulated 180 days of unused sick leave. To be eligible during the term of the Plan, an employee must have earned at least 180 days of unused sick leave as of the effective date of a bargaining agreement or decision adopting this Plan and must maintain at least 180 days during Plan participation.

In order to administer the Plan, the District will deposit all sick leave conversion funds to the credit of each participating employee in the VEBA Trust for the Employees of Public School Districts in the State of Washington.

Resolution 652 - continued

The Plan shall be effective from the date of adoption until rescinded or declared invalid by competent authority.

ADOPTED BY the Board of Directors at a regular meeting thereof held on June 15, 1998.



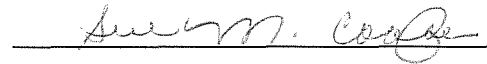
Dr. Monte R. Littell, Ed.D.
Superintendent



Mark Nesse
President, Board of Directors









original: 10
Joy Lansdowne
Supt. 6/16/98
HR Office
6/23/98

**LETTER OF AGREEMENT
BETWEEN THE
EVERETT SCHOOL DISTRICT NO. 2
AND THE
EVERETT ASSOCIATION OF SCHOOL ADMINISTRATORS**

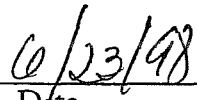
The Everett School District No. 2 has adopted the VEBA III Sick Leave conversion Medical Reimbursement Plan (the "Plan") pursuant to RCW 28A.400.210 and agrees to make contributions to the Plan on behalf of all employees in the collective bargaining unit who are eligible to participate in the Plan by reasons of having excess sick leave conversion rights. Contributions on behalf of each eligible employee shall be based on the conversion value of sick leave days accrued by such employee available for contribution on an annual basis and at retirement in accordance with the statute. All eligible employees will be required to sign and submit to the District a hold harmless agreement complying with the statute. If an eligible employee fails to sign and submit such agreement to the District, he/she will not be permitted to participate in the Plan at any time during the term of this Agreement, and any and all excess sick leave which in the absence of this Agreement would accrue to such employee during the term hereof shall be forfeited together with all cash conversion rights that pertain to such excess sick leave.

Retirement Sick Leave Conversion: For purposes of retirement contributions to the Plan, all employees covered by this Agreement who retire during the term hereof shall be eligible, and excess sick leave shall be defined as the sick leave days accruing to the credit of such employee during the term of this Agreement.

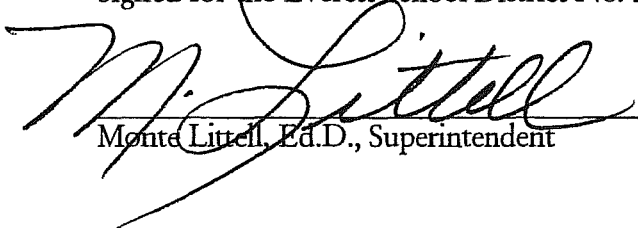
The term of this Agreement shall be from July 1, 1998 through June 30, 1999.

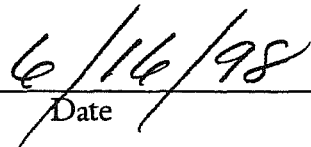
Signed for the Everett Association of School Administrators:


Joy Lansdowne, President


Date

Signed for the Everett School District No. 2:


Monte Littell, Ed.D., Superintendent


Date