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RESOLUTION NO. 506

A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF \$11,495,000 TO REFUND \$10,000,000 PRINCIPAL AMOUNT OF THE DISTRICT'S UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1991-B, DATED MARCH 1, 1991; PROVIDING FOR THE REDEMPTION PRIOR TO MATURITY OF THE BONDS; PROVIDING FOR THE DATE, FORM, TERMS, MATURITIES AND DESIGNATION OF THE BONDS; PROVIDING FOR THE PAYMENT OF BOTH PRINCIPAL OF AND INTEREST ON THE BONDS BY ANNUAL TAX LEVIES; PROVIDING FOR DEPOSITS INTO CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT; RATIFYING A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT FOR USE IN PAYING THE BONDS TO BE REFUNDED; PROVIDING FOR THE REDEMPTION PRIOR TO MATURITY OF THE BONDS TO BE REFUNDED; AUTHORIZING THE PURCHASE OF GOVERNMENT OBLIGATIONS; DESIGNATING A FISCAL AGENT; PROVIDING FOR REGISTRATION AND AUTHENTICATION OF THE BONDS; COVENANTING TO COMPLY WITH CERTAIN TAX PROVISIONS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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Exhibit "A"	Bonds to be Refunded
Exhibit "B"	Form of Bond
Exhibit "C"	Copy of Purchase Contract
Exhibit "D"	Form of Escrow Agreement

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**EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington**

**UNLIMITED TAX GENERAL OBLIGATION
REFUNDING BONDS, SERIES 1993B
PRINCIPAL AMOUNT OF \$11,495,000**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

WHEREAS, Everett School District No. 2, Snohomish County, Washington (the "District") is a first-class school district duly organized and existing under and by virtue of the Constitution and laws of the State of Washington;

WHEREAS, pursuant to Resolution No. 437, adopted on March 7, 1991, by the Board of Directors (the "Board"), the District sold, issued and delivered \$10,000,000 of its Unlimited Tax General Obligation Bonds, Series 1991-B, dated March 1, 1991 (the "Outstanding Bonds")

WHEREAS, the District reserved the right and option to redeem prior to maturity any of the Outstanding Bonds on or after June 1, 2001, in whole at any time, or in part on any interest payment date, (maturities to be selected by the District and by lot within a maturity in such manner as the bond registrar shall determine) at par, plus accrued interest, if any, to the date of redemption;

WHEREAS, the District has determined that it is in the best interests of the District to call and redeem the Outstanding Bonds maturing on and after December 1, 2003, in the aggregate principal amount of \$10,000,000 (the "Refunded Bonds");

WHEREAS, chapter 39.53 RCW authorizes the District to issue, sell and deliver, without an election, unlimited tax general obligation refunding bonds to refund the Refunded Bonds;

WHEREAS, the refunding of the Refunded Bonds will provide a debt service savings to the District and will allow the District to modify certain debt service requirements;

WHEREAS, the Board deems it desirable and in the best interests of the District to issue, sell and deliver its unlimited tax general obligation refunding bonds in the principal amount of \$11,495,000 at this time;

WHEREAS, chapter 39.46 RCW authorizes the District to sell its bonds at negotiated sale without the giving of prior notice thereof;

WHEREAS, pursuant to the provisions of RCW 43.80.120, the State Finance Committee of the State of Washington from time to time designates certain financial institutions to act as the Fiscal Agent for the State of Washington and any political subdivisions who so designate, and the Fiscal Agent and the District wish to establish the procedures pursuant to which the Fiscal Agent will carry out its duties;

WHEREAS, Seattle-Northwest Securities Corporation and Seattle-First National Bank, Seattle, Washington, acting as underwriters, have made an offer to purchase the herein authorized Bonds; and

WHEREAS, the Board has determined it to be in the best interests of the District to accept such offer;

NOW THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

Section 1: DEFINITIONS

As used in this Resolution, the words herein have the meanings provided in this Section 1. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice-versa, unless the context shall otherwise dictate.

"Board" shall mean the Board of Directors of the District, as duly and regularly constituted from time to time.

"Bond Counsel" shall mean Perkins Coie, or its successor in function, if any.

"Bond Register" shall mean the registration books on which are maintained the names and addresses of the Registered Owners of the Bonds.

"Bonds" shall mean the Everett School District No. 2 Unlimited Tax General Obligation Refunding Bonds, Series 1993B in the principal amount of \$11,495,000, the issuance, sale and delivery of which are provided for in this Resolution.

"Closing" shall mean the time when the Bonds are delivered to the original purchasers thereof upon payment in full therefor.

"Code" shall mean the Internal Revenue Code of 1986, as amended, together with all applicable rulings and the regulations promulgated by the United States Treasury Department.

"Debt Service Fund" shall mean the debt service fund of the District heretofore created pursuant to RCW 28A.320.330, and referred to in Section 10 of this Resolution.

"District" shall mean Everett School District No. 2, Snohomish County, Washington.

"Fiscal Agency Agreement" shall mean the contract, from time to time, between the State of Washington and the Fiscal Agent.

"Fiscal Agent" shall mean the party or parties, from time to time, acting as the Washington State Fiscal Agent pursuant to the Fiscal Agency Agreement.

"Government Obligations" shall mean direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"*Outstanding*" shall mean, when used with reference to the Bonds, as of any particular date, all Bonds that have been issued, executed, authenticated and delivered except (1) Bonds canceled because of payment or redemption prior to their stated dates of maturity, and (2) any Bond (or portion thereof) where there as been cash or Government Obligations separately set aside and held for the payment thereof.

"*Outstanding Bonds*" shall mean the District's Outstanding Unlimited Tax General Obligation Bonds, Series 1991-B, issued, sold and delivered pursuant to Resolution No. 437, adopted by the Board on March 7, 1991.

"*President*" shall mean the President of the Board of Directors of the District, or any presiding officer or titular head of the Board of Directors, or his successor in functions, if any.

"*Purchase Contract*" shall mean the bond purchase contract between the District and the Underwriters described in Section 19 of this Resolution.

"*Refunded Bonds*" shall mean the District's Outstanding Unlimited Tax General Obligation Bonds, Series 1991-B, maturing on and after December 1, 2003, to be refunded pursuant to the Refunding Plan and as more fully described in Exhibit "A" to this Resolution.

"*Refunding Plan*" shall mean refunding of the Refunded Bonds through the issuance of the Bonds, as more particularly described in this Resolution.

"*Refunding Trustee*" shall mean Seattle-First National Bank, Seattle, Washington, selected by the District to carry out the escrow functions referred to in this Resolution.

"*Registered Owner*" shall mean the person named as the registered owner of a Bond on the Bond Register.

"*Registrar*" shall mean the Fiscal Agent acting in its capacity as bond registrar, paying agent and transfer agent of the Bonds hereunder.

"*Resolution*" shall mean Resolution No. 506 of the District, adopted by the Board on June 14, 1993, authorizing the issuance, sale and delivery of the Bonds.

"*Secretary*" shall mean the Secretary of the District, or other officer of the District who is the custodian of the records of the proceedings of the Board, or her successor in functions, if any.

"*Term Bonds*" means any Bonds, the payment of which is provided for by a requirement for mandatory sinking fund deposits into the Debt Service Fund.

"*Treasurer*" shall mean the Treasurer of Snohomish County Washington, as ex-officio Treasurer of the District, and any successor Treasurer of the District in accordance with applicable law.

"Underwriters" shall mean Seattle-Northwest Securities Corporation, Seattle, Washington, and Seattle-First National Bank, Seattle, Washington, as initial purchaser of the Bonds.

Section 2: THE REFUNDING PLAN

The Bonds are being issued for the purpose of providing money necessary to pay and redeem the Refunded Bonds (the "Refunding Plan"), all of which is more particularly described as follows:

- A. paying interest on the Refunded Bonds up to and including June 1, 2001;
- B. on June 1, 2001, paying and redeeming prior to their stated dates of maturity all of the Refunded Bonds at the price of par;
- C. paying costs incidental to the accomplishment of the Refunding Plan and expenses incurred in connection with the sale, issuance and delivery of the Bonds, including, but not limited to, the costs of bond insurance, underwriter's discount, legal fees and rating agency fees.

Section 3: AUTHORIZATION OF BONDS

Unlimited tax general obligation refunding bonds of the District, designated "Everett School District No. 2 Unlimited Tax General Obligation Refunding Bonds, Series 1993B" (the "Bonds"), in the aggregate principal amount of \$11,495,000 shall be and hereby are authorized to be issued, sold and delivered pursuant to chapters 39.46 and 39.53 RCW.

Section 4: DESCRIPTION OF BONDS

The Bonds shall be issued as serial Bonds and Term Bonds; shall be issued in the aggregate principal amount of \$11,495,000; shall be dated June 1, 1993; shall be issued in fully registered form; shall be in denominations of \$5,000 each or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form of Exhibit "B" attached hereto and by this reference incorporated herein.

The Bonds shall bear interest from: (1) their date; or (2) the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable commencing on December 1, 1993, and semiannually thereafter on June 1 and December 1 of each year to the date of maturity or prior redemption. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. If any Bond shall have been duly presented for payment and not paid on such applicable date, then interest shall continue to accrue thereafter at the rate stated on such Bond until it is paid or tendered.

The serial Bonds shall mature on December 1 of each year in the principal amounts, and bearing interest at the rates set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 1993	\$ 60,000	2.75%
December 1, 1994	75,000	3.00
December 1, 1995	80,000	3.50
December 1, 1996	80,000	4.00
December 1, 1997	85,000	4.20
December 1, 1998	85,000	4.40
December 1, 1999	90,000	4.60
December 1, 2000	95,000	4.80
December 1, 2001	100,000	5.00
December 1, 2002	105,000	5.00
December 1, 2003	560,000	5.10
December 1, 2004	810,000	5.20
December 1, 2005	850,000	5.30
December 1, 2006	1,095,000	5.40
December 1, 2007	1,485,000	5.45
December 1, 2008	1,195,000	5.50

The Term Bonds shall mature on December 1, 2010, in the principal amount and shall bear interest at the rate set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2010	\$4,645,000	5.25%

The Bonds shall be executed, authenticated and numbered as provided in Sections 12 and 13 hereof. The Bonds shall be negotiable instruments to the extent provided by chapter 62A.8-105 RCW.

Section 5: PLACE, MANNER AND MEDIUM OF PAYMENT

Both principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof.

Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by

wire transfer to a Registered Owner of at least \$100,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date. Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at either of the principal corporate trust offices of the Registrar.

The District and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

Pursuant to RCW 43.80.160 (as it now reads or is hereafter amended or recodified), the Treasurer shall submit a written request to the Registrar that the Registrar return to the Treasurer all funds previously remitted to the Registrar for the payment of the Bonds that have not been distributed by the Registrar as of one year after the final maturity or prior redemption date of all of the Bonds. The Treasurer shall deposit such funds into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity or prior redemption. Interest earnings on the funds in said account may be deposited into the Debt Service Fund to pay the principal of and interest on any bonds that are Outstanding.

Section 6: REDEMPTION PRIOR TO MATURITY

A. Optional Redemption

The Bonds maturing in the years 1993 through 2003, inclusive, are not subject to redemption prior to their stated dates of maturity. The District hereby reserves the right to redeem and call the Bonds maturing on or after December 1, 2004, prior to their stated dates of maturity, in whole at any time, or in part on any interest payment date (maturities to be selected by the District and by lot within a maturity in such manner as the Registrar shall determine), on or after December 1, 2003, at the following redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest, if any, to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101
December 1, 2005 and thereafter	100

B. Mandatory Redemption

The Term Bonds maturing on December 1, 2010, shall be subject to mandatory redemption prior to maturity, in part, by lot in such manner as the Registrar shall determine, on December 1, 2009, at the price of par plus accrued interest to the date of redemption, from mandatory sinking fund deposits in the Debt Service Fund (which are hereby established) in the amounts set forth below:

<u>Mandatory Redemption Date</u>	<u>Mandatory Redemption Amount</u>
December 1, 2009	\$1,450,000
December 1, 2010*	3,195,000

*maturity

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

C. Notice of Redemption

Unless waived by the Registered Owner of any Bond to be redeemed, notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection C shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond. In addition, such redemption notice shall be mailed within the same period by first-class mail, postage prepaid, to the Underwriters at their offices in Seattle, Washington, or their successors as purchasers, but such mailing shall not be a condition precedent to the redemption of such Bonds.

D. Effect of Redemption

When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

E. Voluntary Redemption Notice

In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in said subsection C.

1. Each further notice of redemption given hereunder may contain the following information:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be either of the principal corporate trust offices of the Registrar;
- (f) the CUSIP numbers, if any, of all Bonds being redeemed;
- (g) the date of issue of the Bonds as originally issued;
- (h) the rate of interest borne by each Bond being redeemed;
- (i) the maturity date of each Bond being redeemed; and
- (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

2. Each further notice of redemption may be sent at least 30 days before the redemption date by registered or certified mail or overnight delivery service to:

(a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being The Depository Trust Company, New York, New York, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; and to

(b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Municipal and Government, or Standard & Poor's Called Bond Record).

3. Each such further notice may be published one time in the *Bond Buyer* of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

F. Open Market Purchase and Cancellation of the Bonds

The District hereby reserves the right to purchase the Bonds on the open market at any time, at any price. In the event the District shall purchase Term Bonds at a price (exclusive of accrued interest) of other than the principal amount thereof, the Term Bonds so purchased shall be credited at the par amount thereof to the sinking fund deposit next becoming due. The Registrar need not select Term Bonds by lot for redemption pursuant to Section 6B hereof to the extent of Term Bonds so purchased on the open market. All Bonds purchased or redeemed under this Section 6 shall be canceled.

Section 7: DISTRICT DEBT LIMIT NOT EXCEEDED

The Board hereby finds and covenants on behalf of the District that the Bonds, together with all other general obligation bonds of the District and currently Outstanding, are issued within the applicable constitutional and statutory debt limitations of the District.

Section 8: COVENANTS OF THE DISTRICT

The District hereby irrevocably covenants that for as long as any of the Bonds are Outstanding it will make annual levies of ad valorem taxes without limitation as to rate or amount upon all the property within the District subject to taxation which, together with other money legally available therefor, will be sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due.

The full faith, credit and resources of the District is hereby irrevocably pledged for the prompt payment of such principal and interest. The officers now or hereafter charged by law with the duty of levying taxes for the payment of said Bonds and the interest thereon shall, in the manner provided by law, make annual tax levies upon all of the taxable property within the District sufficient, together with other legally available funds,

to meet the annual payments of principal and semiannual payments of interest maturing and accruing as set forth in Section 4 hereof.

Section 9: TAX COVENANTS

A. The District covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the District covenants to comply with the provisions of the Arbitrage and Tax Regulatory Certificate (the "Tax Certificate") executed by the District on the date of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time.

B. The District covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

C. Notwithstanding any other provision of this Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section 9 shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 17 of this Resolution.

D. Notwithstanding any other provision of this Resolution to the contrary, (a) upon the District's failure to observe or refusal to comply with the above covenants, the Registered Owners of the Bonds, or the trustee acting on their behalf, shall be entitled to the rights and remedies provided to Registered Owners under this Resolution, other than the right to declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) neither the registered owners of bonds of any series other than the Bonds, nor the trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Resolution based upon the District's failure to observe, or refusal to comply with, the above covenants.

Section 10: DEBT SERVICE FUND

There has heretofore been created, pursuant to RCW 28A.320.330, and shall be maintained in the office of the Treasurer, a fund separate and distinct from all other funds of the District, designated "Everett School District No. 2 Debt Service Fund" (the "Debt Service Fund"), for the purpose of paying the principal of and interest on the Bonds and on all other Outstanding general obligation bonds of the District when due. Accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Fund. Tax receipts and, as from time to time directed by the Board, other District funds legally available for payment of the Bonds shall be deposited to the Debt Service Fund to the extent necessary to satisfy the covenants set forth in Section 8 of this Resolution.

Section 11: ENFORCEMENT OF RIGHTS

The Registered Owner of each of the Bonds or a trustee for the Registered Owners of any of the Bonds may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in this Resolution or the resolution authorizing the Outstanding Bonds.

Section 12: EXECUTION OF BONDS

Without unreasonable delay, the District shall cause definitive Bonds to be prepared, executed, and delivered, which Bonds shall be lithographed or printed with steel engraved or lithographed borders. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the President of the Board, shall be attested by the manual or facsimile signature of the Secretary of the Board and shall have the seal of the District impressed or imprinted thereon.

The Bonds shall then be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification.

Until the definitive Bonds are prepared, the District may, if deemed necessary by the Secretary, utilize a temporary Bond which shall be typewritten, and which shall be delivered to the Underwriters in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds. Such temporary Bond shall be dated as of the date of the Bonds, shall be in the denomination of \$11,495,000, shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions, and variations as may be appropriate to temporary bonds, shall be manually signed by the President and the Secretary and shall have the seal of the District imprinted or impressed thereon. The Treasurer of the District shall be the Registrar in the event and for so long as a temporary Bond is utilized.

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

Section 13: AUTHENTICATION AND DELIVERY OF BONDS

The Registrar is authorized and directed, on behalf of the District, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Resolution and to carry out all of the Registrar's powers and duties under this Resolution and the Fiscal Agency Agreement.

Only such Bonds as shall bear thereon a Certificate of Authentication substantially in the form set forth in Exhibit "B" attached hereto, which has been manually executed by an authorized representative of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Resolution. The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

Section 14: REGISTRATION

The Fiscal Agent, in Seattle, Washington, and New York, New York, is hereby appointed as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the following terms and conditions.

A. The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at either of its principal corporate trust offices, sufficient books for the registration and transfer of the Bonds (the "Bond Register") which shall at all times be open to inspection by the District.

B. Subject to the terms of the Fiscal Agency Agreement (as the same may be amended or readopted), the District shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Resolution, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Resolution. The administrative fees provided for in this subsection B may be paid from the Debt Service Fund of the District.

C. The Registrar may become the Registered Owner of Bonds with the same rights it would have if it were not the Registrar, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners of the Bonds.

D. The District hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

Section 15: TRANSFER OR EXCHANGE OF THE BONDS

The Bonds shall be transferable by the Registered Owners thereof in person, or by their attorney duly authorized in writing, upon surrender of the Bonds at either of the principal corporate trust offices of the Registrar for cancellation and issuance of new Bonds registered in the name of the transferee, in exchange therefor.

The Bonds shall be exchangeable for other Bonds of any authorized denomination or denominations, upon surrender and cancellation of said Bonds at either of the principal corporate trust offices of the Registrar.

Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond of any authorized denomination or denominations, of the same maturity and interest rate, and for the aggregate principal amount of such Bond being surrendered. The Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal payment or redemption date.

The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

**Section 16: MUTILATED, LOST, STOLEN OR DESTROYED
 BONDS**

A. If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

1. in the case of a lost, stolen or destroyed Bond, the Registered Owner shall (a) provide notice of the loss, theft or destruction to the District and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction, (b) request the issuance of a substitute Bond, (c) provide evidence, satisfactory to the District and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond and (d) file in the offices of the District and Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued, the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

2. in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

3. in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section 16 satisfactory to the District and the Registrar.

B. Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, lost, stolen or destroyed Bond, and with the word "DUPLICATE" stamped or printed plainly on its face, shall be executed by the District, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond that has matured or is about to mature, or that has been called for redemption, and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost, or stolen Bond without substitution therefor.

C. Upon the issuance and authentication of any substitute Bond under the provisions of this Section 16, the Registrar shall enter upon the Bond Register a notation that the original Bond was canceled and a substitute Bond was issued therefor.

D. Every substituted Bond issued pursuant to this Section 16 shall constitute an additional contractual obligation of the District and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the District may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

E. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

Section 17: DEFEASANCE

In the event that money and/or Government Obligations, maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Debt Service Fund or any account therein for the payment of the principal of and interest on the certain

Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with this Section 17, all interest on such Bonds shall cease to accrue on the due date and all liability of the District with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the Registered Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such funds in trust for such Registered Owners uninvested and without interest.

Section 18: AMENDMENTS TO RESOLUTION

A. The Board from time to time, and at any time, may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Resolution, for any one or more of all of the following purposes:

1. to add to or delete from the covenants and agreements of the District in this Resolution, so long as the covenants and agreements thereafter to be observed shall not affect, in any material respect, the interests of the Registered Owners of any Bonds, or surrender any right or power herein reserved; and

2. to make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Resolution or any resolution authorizing future bonds in regard to matters or questions arising under such resolutions as the Board may deem necessary or desirable and not inconsistent with such resolutions and which shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owners of any Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section 18.

B. With the consent of the Registered Owners of not less than 65 percent in aggregate principal amount of the Bonds at the time Outstanding, the Board may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

1. extend the fixed maturity of any Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on redemption thereof, without the consent of the Registered Owner of each Bond so affected; or

2. reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding.

It shall not be necessary for the consent of Registered Owners of Bonds under this subsection B to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. Notwithstanding anything in this Section 18 to the contrary, any amendment or the execution and delivery of any supplemental resolution authorized herein must be consented to by Financial Guaranty Insurance Company, New York, New York, as insurer of the Bonds, so long as the Bond insurance policy is in effect.

D. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section 18, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District under this Resolution and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

E. Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this Section 18 may have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new bonds so modified as to conform in the opinion of the Board to any modification of this Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owners of any affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 19: SALE OF BONDS

The Underwriters have offered to purchase all the Bonds to be issued pursuant to this Resolution, which offer has been made by means of and subject to the terms and conditions of the Purchase Contract, dated June 14, 1993, and attached hereto as Exhibit "C." It is hereby determined that it is in the best interests of the District to accept and approve the Purchase Contract. The Secretary is hereby authorized to execute and deliver such Purchase Contract on behalf of the District.

The Bonds will be printed at the District's expense and will be delivered to the Underwriters in accordance with the bond sale documents with the approving legal opinion of Perkins Coie, Seattle, Washington, Bond Counsel, relative to the issuance of the Bonds and the exemption from federal income taxation of interest on the Bonds, printed on each Bond.

**Section 20: RATIFICATION OF PRELIMINARY OFFICIAL
STATEMENT**

The District hereby ratifies all acts undertaken by its officers, employees and agents with respect to the preparation and distribution of the preliminary official statement with respect to the Bonds, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The District agrees to cooperate with the Underwriters to deliver or cause to be delivered, within seven business days from the date of the Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters, copies of a final official statement in sufficient quantity to comply with paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Section 21: AUTHORIZATION OF OFFICIALS

The President and/or the Secretary are authorized and directed to execute all documents, including without limitation the final official statement, and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds, and the printing, execution and delivery of the Bonds, in definitive form, to the Underwriters, each without unreasonable delay.

Section 21: REDEMPTION OF THE REFUNDED BONDS

The District hereby calls for redemption the Refunded Bonds on June 1, 2001, prior to their stated dates of maturity, at a price equal to 100 percent of the principal amount plus accrued interest to the date of redemption. Upon delivery of the Bonds on the date of Closing, this call for redemption shall become irrevocable.

The Secretary is authorized and directed to give such notice as may be required, or cause such notice to be given, at the time and in the manner required, pursuant to law and Resolution No. 437 authorizing the Refunded Bonds, in order to effect the redemption prior to their maturity of the Refunded Bonds on the dates set forth above.

Section 22: ESCROW

The Secretary is hereby authorized and directed to cause the establishment of an escrow, on behalf of the District, to effect the Refunding Plan by purchasing and holding Government Obligations (and cash, if necessary) in amounts and maturities sufficient to assure repayment of the principal of and interest, if any, on the Refunded Bonds. In order to carry out the purposes of this Resolution, the Secretary is authorized and directed to execute and deliver to the Refunding Trustee an escrow agreement substantially in the form of Exhibit "D" hereto. Said escrow agreement shall set forth the duties and obligations and

responsibilities of the Refunding Trustee in connection with the refunding of the Refunded Bonds as provided herein. The Secretary shall have authority to execute all agreements necessary to effect such escrow arrangements.

Section 23: ACQUISITION OF GOVERNMENT OBLIGATIONS

The Secretary, on behalf of the District, shall obtain and deliver to the Refunding Trustee for deposit, or cause the Refunding Trustee to obtain and deposit, on or before the date of Closing, into the escrow account provided for in the escrow agreement for the Refunded Bonds, cash and Government Obligations which shall be scheduled to provide cash flow sufficient to pay and redeem the Refunded Bonds as specified in Section 2 of this Resolution.

The Secretary shall designate or cause the Refunding Trustee to designate that all of the principal of and interest on the Government Obligations acquired or subscribed for shall be payable to the Refunding Trustee. Such subscriptions may be amended as permitted by federal law and regulations.

Section 24: VERIFICATION OF SUFFICIENCY OF ESCROW

The Secretary is authorized and directed to obtain, prior to Closing, a verification from a nationally recognized firm of independent certified public accountants that, among other things, the cash flow scheduled to be received from the Government Obligations, together with any uninvested initial cash, shall be sufficient to pay and redeem the Refunded Bonds as described in Section 2 of this Resolution. Any temporary or permanent substitutions of Government Obligations may only be effected in accordance with the document establishing the escrow provided for in Section 22 of this Resolution.

Section 25: DELIVERY OF BOND PROCEEDS TO REFUNDING TRUSTEE

The Treasurer shall cause accrued interest on the Bonds received at Closing to be deposited into the Debt Service Fund. At the direction of the Secretary, the Treasurer shall pay or deliver the principal proceeds of the Bonds applicable to the Refunded Bonds (except for amounts necessary to pay the expenses of carrying out the Refunding Plan, which shall be paid in such manner as determined by the Secretary of the District) to the Refunding Trustee or shall purchase Government Obligations for delivery to the Refunding Trustee, in each case to be used and applied by the Refunding Trustee pursuant to the document establishing the escrow provided for in Section 22 of this Resolution.

The Secretary is authorized and directed to execute and deliver all documents, arrange purchase of Government Obligations, and take other actions necessary to accomplish the Refunding Plan.

Section 26: CANCELLATION OF SURRENDERED BONDS

Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the District for cancellation, shall be canceled immediately by the Registrar and returned to the District. Such Bonds thereafter shall be destroyed pursuant to RCW 43.80.130 (as it now reads or is hereafter amended), or the Fiscal Agency Agreement, or both.

Section 27: RATIFICATION

All action heretofore taken by the Board and the employees of the District (not inconsistent with the provisions of this Resolution) in connection with the calling, noticing and conducting of any regular or special meeting of the Board relating hereto or in connection with the authorizing, marketing or issuing of the Bonds is hereby and in all respects ratified, approved and confirmed.

Section 28: CONTRACT-SEVERABILITY CLAUSE

The covenants contained in this Resolution and in the Bonds shall constitute a contract between the District and the Registered Owner of each and every Bond. 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 after final appeal (if any appeal be taken) 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 in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 29: HEADINGS

Headings used in this Resolution are for convenience of reference and shall not limit or affect the interpretation hereof.

Section 30: REPEALER

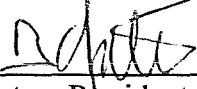
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 31: EFFECTIVE DATE

This Resolution shall be in full force and effect from and after its adoption.


ADOPTED AND APPROVED by the Board of Directors of Everett School District No. 2, Snohomish County, Washington, at a special meeting thereof, notice of which was given as required by law, held on June 14, 1993.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

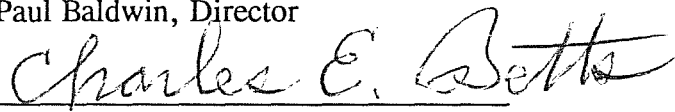


Roy Yates, President

Shirley Vandermeer, Vice President



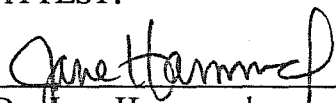
Paul Baldwin, Director



Charles E. Betts, Director

Sue M. Cooper, Director

ATTEST:



Dr. Jane Hammond,
Secretary of the Board of Directors

(SEAL)

* * * * *

CERTIFICATE

I, Dr. Jane Hammond, the Secretary of the Board of Directors of Everett School District No. 2, Snohomish County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of said District, duly held at the regular meeting place thereof on June 14, 1993, of which meeting all members of said Board had due notice, and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof, Directors:

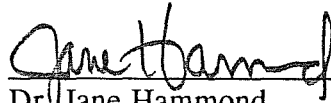
NAYS, Directors:

ABSENT, Directors:

ABSTAIN, Directors:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of June, 1993.



Dr. Jane Hammond,
Secretary of the Board of Directors

(SEAL)




EXHIBIT "A"

THE REFUNDED BONDS

The following described bonds shall be refunded and redeemed on June 1, 2001:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2003	\$ 450,000	6.80%
December 1, 2004	700,000	6.90
December 1, 2005	750,000	7.00
December 1, 2006	1,000,000	7.05
December 1, 2007	1,400,000	7.10
***	***	***
December 1, 2010	5,700,000	7.20

EXHIBIT "B"

FORM OF BOND

[Face of Bond]

**UNITED STATES OF AMERICA
STATE OF WASHINGTON
COUNTY OF SNOHOMISH**

EVERETT SCHOOL DISTRICT NO. 2

**UNLIMITED TAX GENERAL OBLIGATION
REFUNDING BOND, SERIES 1993B**

Number

Dollars

See Reverse Side for
Additional Provisions

INTEREST RATE:

MATURITY DATE:

CUSIP NO:

EVERETT SCHOOL DISTRICT NO. 2, Snohomish County, Washington (the "District"), a first-class school district duly organized and existing under and by virtue of the Constitution and laws of the State of Washington now in force, acknowledges itself to owe and for value received, promises to pay from the Everett School District No. 2 Debt Service Fund (the "Debt Service Fund"), referred to in Resolution No. 506, adopted on June 14, 1993 (the "Resolution"), to

or registered assigns, on the Maturity Date specified above, the principal sum of

DOLLARS

and to pay interest thereon from the aforesaid Debt Service Fund from June 1, 1993, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable commencing on December 1, 1993, and semiannually thereafter on each June 1 and December 1, to the stated date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Both the principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall

appear on the registration books of the District (the "Bond Register") maintained by either of the Washington State Fiscal Agents in Seattle, Washington, or New York, New York (the "Registrar"). Interest shall be paid to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date, and shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner of at least \$100,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date. Principal shall be paid to the Registered Owner upon presentation and surrender of this Bond on or after the stated date of maturity or prior redemption, at either of the principal corporate trust offices of the Registrar.

The District and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

Reference is hereby made to the Additional Provisions of this Bond set forth on the reverse side hereof, and such Additional Provisions shall for all purposes have the same effect as if set forth in this space.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that this Bond and the series of which it is one, are issued pursuant to and in strict compliance with the Constitution and the laws of the State of Washington now in force, and the ordinances and resolutions of the District, specifically the Resolution, and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, been done and performed.

IN WITNESS WHEREOF, Everett School District No. 2, Snohomish County, Washington, has caused this Bond to be executed by the facsimile signature of the President and attested by the facsimile signature of the Secretary and the seal of the District imprinted or impressed hereon this first day of June, 1993.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

[Facsimile signature]

President of the Board of Directors

Attest:

[Facsimile signature]

Secretary of the Board of Directors

[Facsimile Seal]

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Everett School District No. 2 Unlimited Tax General Obligation Refunding Bonds, Series 1993B, dated June 1, 1993, and described in the within-mentioned Resolution.

WASHINGTON STATE FISCAL AGENT,
as Registrar

By _____
Authorized Officer

[Reverse of Bond]

ADDITIONAL PROVISIONS

This Bond is one of a duly authorized series of Bonds of like date, tenor and effect, except for variations required to state denominations, numbers, interest rates, redemption provisions and dates of maturity, aggregating the principal amount of \$11,495,000. The Bonds are issued as serial Bonds and Term Bonds; are issued in fully registered form; in denominations of \$5,000 each, or any integral multiple thereof within a single maturity; and mature over the years 1993 through 2010, inclusive. Capitalized terms used herein shall have the meanings set forth in the Resolution.

The Bonds are issued by the District pursuant to and in full compliance with the Constitution and laws of the State of Washington now in force, particularly chapters 39.46 and 39.53 RCW, and proceedings duly adopted and authorized by the Board of Directors of the District, more particularly, the Resolution. The Bonds are issued for the purpose of providing the money required to refund \$10,000,000 of the District's Unlimited Tax General Obligation Bonds, Series 1991-B, all as specified and more particularly described in the Resolution.

The Bonds are unlimited tax general obligations of the District, and as such the full faith and credit of the District is pledged for the punctual and full payment of the principal hereof and interest hereon. The Bonds are payable from ad valorem taxes levied and to be levied upon all of the taxable property within said District without limitation as to rate or amount, and are payable solely from the Debt Service Fund.

The Bonds maturing in the years 1993 through 2003 inclusive are not subject to redemption prior to their stated dates of maturity. The District has reserved the right to redeem and call the Bonds maturing on or after December 1, 2004, prior to their stated dates maturity, in whole at any time, or in part on any interest payment date (maturities to be selected by the District and by lot within a maturity in such manner as the Registrar shall determine), on or after December 1, 2003, at the following redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest, if any, to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101
December 1, 2005 and thereafter	100

Notice of any such redemption, unless waived by the Registered Owner, shall be sent by the Registrar by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. These requirements shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond. When so called for redemption the Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

This Bond is transferable or exchangeable by the Registered Owner hereof in person or by his attorney duly authorized in writing upon presentation and surrender of this Bond at either of the principal corporate trust offices of the Registrar. Upon such transfer or exchange, a new Bond or Bonds of any authorized denomination, of the same maturity and interest rate, and for the same aggregate principal amount will be issued to the transferee

or exchangee, in exchange therefor. The Registrar is not required to transfer or exchange any bond during the 15 days preceding any principal payment or redemption date.

Reference is hereby made to the Resolution for the covenants and declarations of the District and other terms and conditions under which this Bond and the Bonds of this series have been issued.

The covenants contained herein and in the Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Washington now in force, 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 and the Bonds of this series does not exceed any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

LEGAL OPINION

It is hereby certified that the following is a true and complete copy of the legal opinion of Perkins Coie, Seattle, Washington, on file in my office, which opinion is dated the date of delivery of and payment for the Bonds described therein, an original of which was delivered to me on said date, and is a part of the permanent records of the District.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

[Facsimile signature]
Secretary of the Board of Directors

[Insert Legal Opinion of Perkins Coie]

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF TRFS MIN ACT	(Cust)	(Minor)
TEN ENT --	as tenants by the entireties	under Uniform Transfer to Minors Act		(State)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common			

Additional abbreviations may also be used although not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfer unto:

Name of Transferee: _____

Address: _____

Tax Identification No. _____

the within Bond and hereby irrevocably constitutes and appoints _____

_____ to transfer said Bond on

the books kept for registration thereof with full power of substitution in the premises.

Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Dated:

SIGNATURE GUARANTEED:

Bank, Trust Company or Member
Firm of the New York Stock Exchange

Authorized Officer

EXHIBIT "C"

COPY OF PURCHASE CONTRACT

EXHIBIT "D"

FORM OF ESCROW AGREEMENT

**EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington**

**UNLIMITED TAX GENERAL OBLIGATION
REFUNDING BONDS, SERIES 1993B
PRINCIPAL AMOUNT OF \$11,495,000**

ESCROW AGREEMENT

This Escrow Agreement, is made and entered into as of the first day of June 1, 1993, by and between Everett School District No. 2, Snohomish County, Washington (the "District"), and Seattle-First National Bank, Seattle, Washington (the "Refunding Trustee");

WITNESSETH

Section 1: RECITALS

The Refunded Bonds

Pursuant to Resolution No. 437, adopted by the Board of Directors of the District (the "Board") on March 7, 1991, the District has issued, sold and delivered \$10,000,000 principal amount of its Unlimited Tax General Obligation Bonds, Series 1991-B, dated March 1, 1991 (the "Outstanding Bonds"). The District reserved the right and option to redeem prior to maturity any of the Outstanding Bonds on or after June 1, 2001, in whole at any time, or in part on any interest payment date, (maturities to be selected by the District and by lot within a maturity in such manner as the Registrar shall determine), at par plus accrued interest, if any, to the date of redemption. The District, by Resolution No. 506, adopted by the Board on June 14, 1993 (the "Resolution"), has determined to refund the Outstanding Bonds maturing on and after December 1, 2003 (the "Refunded Bonds"), as described in Exhibit "A," by the issuance of \$11,495,000 principal amount of the District's Unlimited Tax General Obligation Refunding Bonds, Series 1993B (the "Bonds"). Reference is hereby made to the Resolution for a description of the Refunding Plan.

**Section 2: PROVISIONS FOR REFUNDING THE REFUNDED
BONDS**

The District agrees to deposit the amount of \$ _____ of the proceeds of the Bonds in account number _____ with the Refunding Trustee. Out of such account, the Refunding Trustee agrees to pay costs of issuance of the Bonds up to \$ _____

and with \$11,019,500 to purchase promptly and to deposit irrevocably in trust for the security and benefit of the holders and owners of the Refunded Bonds sufficient direct obligations of the United States of America or evidence thereof as described in Exhibit "B" attached hereto as necessary for the following:

- (a) paying interest on the Refunded Bonds up to and including June 1, 2001 ;
- (b) on June 1, 2001, paying and redeeming the Refunded Bonds at par.

The obligations described in Exhibit "B" are referred to herein as "Government Obligations." All Government Obligations shall be non-callable direct obligations of the United States and shall mature not later than the respective interest payment or principal redemption dates of the Refunded Bonds.

Execution of this Escrow Agreement by the Refunding Trustee shall constitute written acknowledgment by the Refunding Trustee of its receipt from the District of the amounts specified herein.

The District has caused to be delivered to the Refunding Trustee a statement setting forth the interest payment schedule and maturity schedule of the Refunded Bonds by number, amount, date of maturity and interest rates, the amount of interest to be paid on each semiannual interest payment date, if any, and the amount of the principal to be paid on the date that the Refunded Bonds are to be redeemed. By execution of this Escrow Agreement the Refunding Trustee acknowledges receipt of these statements.

The District by the Resolution has directed to be set aside sufficient money to purchase Government Obligations which will be used to pay the interest on and to redeem the Refunded Bonds as provided in this Section 2. The District by the Resolution has irrevocably made provision for calling the Refunded Bonds, as more fully described in Exhibit "A" hereto, for redemption and prepayment. Said provisions for payment of interest and redemption and prepayment of the Refunded Bonds shall be irrevocable upon execution of this Escrow Agreement.

The Refunding Trustee, in concert with the District, shall provide for the proper notice of such redemption and prepayment of the Refunded Bonds in accordance with the provisions of Resolution No. 437, adopted on March 7, 1991, and applicable law.

Notice of any intended redemption shall be given by first-class mail to the registered owners of the Refunded Bonds at their addresses as they appear on the bond register. Such mailing shall be made not less than 30 nor more than 60 days prior to the redemption date or in compliance with any applicable regulations then in effect.

Section 3: DISBURSEMENTS BY REFUNDING TRUSTEE

The Refunding Trustee shall present for payment on the due dates thereof any Government Obligations deposited with it and shall apply the proceeds derived therefrom

and the interest paid thereon in accordance with the provisions of the Resolution and this Escrow Agreement. Money shall be transferred in a timely manner by the Refunding Trustee to the fiscal agency or agencies of the State of Washington, in amounts sufficient for the payments specified in Section 2 hereof.

Section 4: CUSTODY AND SAFEKEEPING OF OBLIGATIONS

For as long as any of the Refunded Bonds are outstanding, on or before the twentieth day of each January and July, commencing with January, 1994, the Refunding Trustee shall render a statement for the escrow account as of the last day of the preceding month to the District, which statement shall set forth the cash and Government Obligations held by the Refunding Trustee, any of such Government Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity, the interest earned on any of such Government Obligations, the amounts of cash delivered to the Fiscal Agent and the dates of the use thereof for the payment of the principal of and interest on the Refunded Bonds as the same shall become due and payable, and any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

All Government Obligations, money and investment income deposited with or received by the Refunding Trustee pursuant to this Escrow Agreement shall be trust funds for the specific purposes set forth herein and may not be used for any other purpose.

The District may, according to the terms of the Resolution, substitute other securities for the Government Obligations. All securities substituted for the Government Obligations (herein, the "Substitute Obligations") shall be direct obligations of the United States, shall mature not later than the Government Obligations for which they are substituted and shall be sufficient in amounts to satisfy the requirements of clause (a) below. The Refunding Trustee agrees to any such substitution; provided, however, that prior to effectuating any such substitution, the District shall have obtained and delivered to the Refunding Trustee for the escrow account:

(a) a supplemental verification addressed to the District and to the Refunding Trustee by a nationally recognized firm of independent certified public accountants that the Government Obligations, the Substitute Obligations and other money to be retained by the Refunding Trustee after the proposed substitution for purposes of making the payments described in Section 2 hereof will be adequate to make all remaining payments described in said Section 2 and that such Substitute Obligations are noncallable;

(b) an opinion addressed to the District and the Refunding Trustee from nationally recognized bond counsel that such substitution of obligations will not cause the interest on the Refunded Bonds or the Bonds to become includible in gross income for federal income tax purposes.

If at any time the Refunding Trustee has money available that does not constitute surplus money pursuant to Section 5 hereof, the Refunding Trustee shall reinvest such money in Government Obligations earning a yield not in excess of the yield on the Bonds (_____ percent) maturing on or before the next interest payment date, principal payment date or redemption date of the Refunded Bonds. In the event such money cannot be reinvested, due to the denomination, price or availability of investments, such money shall be held uninvested by the Refunding Trustee.

Section 5: SURPLUS MONEY

If at any time during the term of the escrow created pursuant to this Escrow Agreement there should be Government Obligations, Substitute Obligations and/or money held by the Refunding Trustee in excess of that required to make all remaining payments described in Section 2 hereof, when due, considering the interest to be earned on such Government Obligations or Substitute Obligations, and the District requests in writing that such surplus obligations or the proceeds thereof or such surplus money be returned by the Refunding Trustee to the District, the Refunding Trustee shall do so forthwith; provided, however, that prior to requesting any such transfer, the District shall have furnished to the Refunding Trustee for each escrow account:

(a) a supplemental verification addressed to the District and the Refunding Trustee by a nationally recognized firm of independent certified public accountants that the Government Obligations, Substitute Obligations and other money to be retained by the Refunding Trustee after the transfer of the surplus money for the purpose of making all remaining payments described in Section 2 hereof will be adequate to make all such payments; and

(b) an opinion addressed to the District and the Refunding Trustee from nationally recognized bond counsel that such transfer will not cause the interest on the Refunded Bonds or the Bonds to become includible in gross income for federal income tax purposes.

Section 6: DUTIES AND OBLIGATIONS OF THE REFUNDING TRUSTEE

The duties and obligations of the Refunding Trustee shall be as prescribed by the provisions of this Escrow Agreement and the Resolution, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as so specifically set forth and to act in good faith and without negligence in the performance thereof, and no implied duties or obligations shall be incurred by the Refunding Trustee other than the duties and obligations specified herein.

Section 7: COMPENSATION OF REFUNDING TRUSTEE

By execution hereof the Refunding Trustee acknowledges receipt of the sum of \$_____ for services rendered and to be rendered by it pursuant to the provisions of this

Escrow Agreement in payment of all fees, compensation and expenses of the Refunding Trustee, and the Refunding Trustee expressly acknowledges that it is not entitled to a lien on any Government Obligations, Substitute Obligations or other obligations or money of the District held by it pursuant to this Escrow Agreement.

Such arrangement for compensation and expenses is intended as compensation for the ordinary services as contemplated by this Escrow Agreement, and in the event that the Refunding Trustee renders any service hereunder not provided for in this Escrow Agreement, or the Refunding Trustee is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or institutes interpleader proceedings relative hereto, the Refunding Trustee shall be compensated reasonably by the District for such extraordinary services and reimbursed for all fees, costs, liability and expenses (including reasonable attorneys' fees) occasioned thereby. The agreement contained in this Section 7 shall survive the termination of this Escrow Agreement.

Section 8: AMENDMENTS TO ESCROW AGREEMENT

The Refunding Trustee and the District recognize that the owners from time to time of the Refunded Bonds have a beneficial interest in the Government Obligations and Substitute Obligations and money to be held by the Refunding Trustee as herein provided. Therefore, this Escrow Agreement shall not be subject to amendment except that it may be amended (a) to clarify any ambiguity, (b) to alter the reporting or other ministerial obligations of the Refunding Trustee to the District, or (c) in any other manner, in the opinion of the District, evidenced by a certificate, that does not materially adversely affect the registered owners of the Refunded Bonds or the Registered Owners of the Bonds; provided that no such amendment shall permit the Refunding Trustee to invest in or deposit in the Escrow Account any obligations other than noncallable direct obligations of the United States of America, and each such amendment shall be accompanied by:

(a) a letter addressed to the District and the Refunding Trustee by a nationally recognized firm of independent certified public accountants verifying the computations which indicate that the Government Obligations, Substitute Obligations and other money to be retained by the Refunding Trustee for the purpose of making the payments described in Section 2 will be adequate, after making the amendment, to make all such payments; and

(b) an opinion addressed to the District and the Refunding Trustee from nationally recognized bond counsel that the amendment will not cause the interest on the Refunded Bonds or the Bonds to become includible in gross income for federal income tax purposes.

(c) the written consent of Financial Guaranty Insurance Company, New York, New York, and the written consent of the registered owners of the Refunded Bonds, for as long as the Bond insurance policy is in effect.

Section 9: LIMITATION OF REFUNDING TRUSTEE DUTIES

None of the provisions contained in this Escrow Agreement shall require the Refunding Trustee to use or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Refunding Trustee shall be under no liability for the payment of interest on any money or other property received by it hereunder except to the extent the Refunding Trustee is required by the express terms of this Escrow Agreement to invest such money.

Section 10: NOTIFICATION OF DEFICIENCY

The Refunding Trustee shall give the District prompt notice if the Refunding Trustee shall determine there are or will be insufficient money, Government Obligations, or Substitute Obligations to make the payments specified in Section 2 hereof, and the District shall immediately deposit with the Refunding Trustee additional sums of money required to correct such deficiencies.

**Section 11: REMITTANCE OF MONEY WHEN REFUNDED
BONDS PAID IN FULL**

At such time as the Refunding Trustee has received the representation of the District that the payments described in Section 2 have been made and the confirmation of such representation by the Fiscal Agent, together with such other evidence of such payment as shall be satisfactory to the District and the Refunding Trustee, the Refunding Trustee shall deliver forthwith and remit to the District any remaining Government Obligations, any Substitute Obligations and money held pursuant to this Escrow Agreement.

Section 12: SUCCESSOR REFUNDING TRUSTEE

The obligations assumed by the Refunding Trustee pursuant to this Escrow Agreement may be transferred by the Refunding Trustee to a successor if (a) the Refunding Trustee has presented evidence satisfactory to the District and its nationally recognized bond counsel that the successor meets the requirements of RCW 39.53.070, as now in effect or hereafter amended; (b) the successor has assumed all the obligations of the Refunding Trustee under this Escrow Agreement; and (c) all the Government Obligations, Substitute Obligations and money then held by the Refunding Trustee pursuant to this Escrow Agreement have been duly transferred to such successor.

Section 13: MISCELLANEOUS

This Escrow Agreement is governed by Washington law and may not be modified except by a writing signed by the parties which complies with the provisions of Section 8 hereof. In the event any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 14: EXECUTION IN COUNTERPARTS

This Escrow Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same Escrow Agreement.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

By _____
Dr. Jane Hammond,
Secretary of the Board of Directors

SEATTLE-FIRST NATIONAL BANK
Seattle, Washington

By: _____
Refunding Trustee

EXHIBIT "A"

THE REFUNDED BONDS

The following described bonds shall be refunded and redeemed on June 1, 2001:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2003	\$ 450,000	6.80%
December 1, 2004	700,000	6.90
December 1, 2005	750,000	7.00
December 1, 2006	1,000,000	7.05
December 1, 2007	1,400,000	7.10
***	***	***
December 1, 2010	5,700,000	7.20

EXHIBIT "B"

GOVERNMENT OBLIGATIONS

<u>Type of Obligation</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Delivery Date</u>	<u>Maturity Date</u>
SLGS	\$ 98,400	3.1900%	06/29/93	12/01/93
SLGS	51,800	3.4500	06/29/93	06/01/94
SLGS	53,400	3.6700	06/29/93	12/01/94
SLGS	54,300	4.0200	06/29/93	06/01/95
SLGS	55,500	4.2700	06/29/93	12/01/95
SLGS	56,600	4.4500	06/29/93	06/01/96
SLGS	57,900	4.6300	06/29/93	12/01/96
SLGS	59,300	4.8100	06/29/93	06/01/97
SLGS	60,700	4.9800	06/29/93	12/01/97
SLGS	62,200	5.1300	06/29/93	06/01/98
SLGS	63,700	5.2700	06/29/93	12/01/98
SLGS	65,500	5.3800	06/29/93	06/01/99
SLGS	67,200	5.4700	06/29/93	12/01/99
SLGS	69,100	5.5500	06/29/93	06/01/00
SLGS	71,000	5.6300	06/29/93	12/01/00
SLGS	10,072,900	5.6165	06/29/93	06/01/01