

RESOLUTION NO. 473

A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE OF UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,950,000 TO PAY THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, AND EQUIPPING CERTAIN CAPITAL IMPROVEMENTS TO THE FACILITIES OF THE DISTRICT, WITH APPROPRIATE APPURTENANCES, FIXTURES AND FURNISHINGS; 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 LEVIES OF TAXES; PROVIDING FOR DEPOSITS INTO CERTAIN FUNDS AND ACCOUNTS; DESIGNATING A FISCAL AGENT AND BOND COUNSEL; PROVIDING FOR REGISTRATION AND AUTHENTICATION OF THE BONDS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT; APPROVING A PRELIMINARY OFFICIAL STATEMENT; COVENANTING TO COMPLY WITH CERTAIN TAX PROVISIONS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

**UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1992
PRINCIPAL AMOUNT OF \$4,950,000**

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, at a special election held in the District on February 6, 1990, the number and proportion of the qualified electors of the District required by law for the passage thereof voted in favor of a proposition authorizing the issuance of unlimited tax general obligation bonds of the District in an aggregate principal amount not to exceed \$96,500,000 (the "Authorized Amount") to provide funds to acquire, construct and install certain capital improvements permitted by law and necessary and proper to carry out the functions of the District, as authorized by Resolution No. 414 of the District, adopted on December 4, 1989 ("Resolution No. 414");

WHEREAS, pursuant to Resolution No. 420 adopted on May 17, 1990, the District issued and sold its bonds representing \$27,999,138.20 of the Authorized Amount;

WHEREAS, pursuant to Resolution No. 437 adopted on March 7, 1991, the District issued and sold its bonds representing \$10,000,000 of the Authorized Amount;

WHEREAS, it is deemed necessary and advisable that the District issue and sell its unlimited tax general obligation bonds in the principal amount of \$4,950,000 of such Authorized Amount at this time;

WHEREAS, pursuant to the provisions of RCW 43.80.120, the 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, Chapter 39.46 RCW authorizes the District to sell its bonds at a negotiated sale without the giving of prior notice thereof;

WHEREAS, Seattle-Northwest Securities Corporation and Seattle-First National Bank, each of Seattle, Washington, acting as underwriters, have made an offer to purchase such 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; Construction

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

Acquisition, Acquiring or Acquire includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the federal government, the state of Washington, any public body therein or any person or entity, the condemnation, transfer, option to purchase, other contract, or other acquirement, or any combination thereof.

Authorized Amount means the \$96,500,000 principal amount of general obligation bonds authorized in the special election held in the District on February 6, 1990.

Board means the Board of Directors of the District, as duly and regularly constituted from time to time.

Bond Counsel means Perkins Coie, Seattle, Washington, or their successors in function, if any.

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

Bond or Bonds means the "Everett School District No. 2, Unlimited Tax General Obligation Bonds, Series 1992," in the principal amount of \$4,950,000, the sale, issuance and delivery of which are provided for in this Resolution.

Capital Projects Fund means the "Everett School District No. 2 Capital Projects Fund" heretofore created pursuant to RCW 28A.320.330, and referred to in Section 5 hereof.

Code means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

Cost of the Project or Costs of the Project, or any phrase of similar import, means all or any part of the costs designated by the Board as costs of the Project, or interests thereon, which costs, at the option of the Board, may include all or part of the incidental costs pertaining to the Project, including, without limitation:

A. Preliminary expenses advanced by the District from funds available for the use therefor, or advanced from any other sources, with approval of the Board, or any combination thereof;

B. The costs of making surveys, obtaining permits, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

C. The costs of appraisals, printing, estimates, advice, services of engineers, architects, construction management, financial consultants and accountants, attorneys at law, clerical help, consultants or other agents or employees;

D. The costs of contingencies;

E. The costs of a discount on the Bonds, if any, and the costs of issuance, registration and authentication of the Bonds;

F. The acquisition costs of any properties, rights, easements, or other interests in properties, or any licenses, privileges, agreements and franchises; and

G. All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Board.

Debt Service Fund means the "Everett School District No. 2 Debt Service Fund" heretofore created pursuant to RCW 28A.320.330, and referred to in Section 6 hereof.

District means Everett School District No. 2, Snohomish County, Washington.

Fiscal Agency Agreement means the Washington State Fiscal Agency Contract, dated June 1, 1988, as such contract may be amended or replaced from time to time between the state of Washington and the Fiscal Agent.

Fiscal Agent means the party or parties from time to time acting as the Washington State Fiscal Agent pursuant to the Fiscal Agency Agreement.

Outstanding means, 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 cancelled because of payment or redemption prior to their stated dates of maturity, and (2) any Bond (or portion thereof) where, for the payment or redemption of which, there has been cash or Government Obligations (as defined in Chapter 39.53 RCW as it now reads or is hereafter amended) separately set aside and held for the payment thereof.

President means the President of the Board, or any presiding officer or titular head of the Board, or his/her successor in functions, if any.

Project means the undertaking or undertakings of acquiring and constructing the improvements described in Section 2 hereof that are to be financed by the District from the proceeds of the sale of the Bonds.

Purchase Contract means the Bond Purchase Contract between the District and the Underwriters described in Section 18 hereof.

Registrar means the Fiscal Agent acting in its capacity as registrar of the Bonds hereunder.

Registered Owner or Registered Owners means the person named as the registered owner of a Bond on the Bond Register.

Resolution means this Resolution No. 473, adopted by the Board of the District on May 8, 1992, authorizing the issuance, sale and delivery of the Bonds.

Secretary means 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 his/her successor in functions, if any.

Treasurer means 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 means Seattle-Northwest Securities Corporation and Seattle-First National Bank, each of Seattle, Washington, as initial purchasers of the Bonds.

Section 2. The Project

A. Project Description. The Bonds are being issued for the purpose of providing a portion of the funds necessary for the Acquisition, construction and installation of certain capital improvements and betterments to the District's facilities authorized by Resolution No. 414, together with all necessary appurtenances, fixtures and furnishings therefor, all of which are more particularly described as follows:

(1) The Acquisition, construction and installation of a new elementary school, middle school and high school, additional classrooms and other facilities;

(2) The Acquisition, construction and installation of capital improvements to the District's existing facilities;

(3) Equipping the foregoing facilities of the District as deemed necessary by the Board; and

Said capital improvements are to be more fully described in the plans and specifications prepared by the District's architects and engineers, and filed with the District.

If, in the opinion of the Board, the needs of the District change in a manner that results in a circumstance wherein any portion of the above-referenced capital improvements is not required or in the best interests of the District, the District retains the right not to construct such capital improvements and to reallocate the money originally contemplated therefor to other capital improvements to District facilities deemed more necessary or appropriate by the Board.

B. Modifications. The District may make alterations or modifications in the Project so long as such alterations or modifications do not significantly alter the Project and are consistent with the provisions of Resolution No. 414.

C. Costs of the Project. The total Cost of the Project is estimated not to exceed \$4,950,000, which amount shall be paid from the proceeds of the Bonds authorized herein.

D. Additional Funds. In the event there are Bond proceeds remaining after the capital improvements set forth in Section 2 A hereof. have been completed, the Board retains the right to make additional capital improvements to the District facilities as found necessary by the Board or to deposit said money into the Debt Service Fund to make payments on Outstanding Bonds.

Section 3. Authorization of Bonds

Unlimited tax general obligation bonds of the District, designated "Everett School District No. 2 Unlimited Tax General Obligation Bonds, Series 1992" (the "Bonds"), in the aggregate principal amount of \$4,950,000, shall be and hereby are authorized to be issued, sold and delivered pursuant to Chapters 28A.530, 39.36 and 39.46 RCW.

Section 4. The Bonds

The Bonds shall be issued as serial Bonds, shall be dated as of June 1, 1992, shall be in the aggregate principal sum of \$4,950,000, shall be in denominations of \$5,000 each or any integral multiple thereof within a single maturity, shall be issued only in fully registered form, 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 executed, authenticated and numbered as provided in Sections 9 and 10 hereof. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-105. The Bonds shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein by this reference.

The Bonds shall bear interest from their date, payable commencing on June 1, 1993, and semiannually on each December 1 and June 1 thereafter to their stated dates of maturity. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

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	\$ 100,000	5.500%
December 1, 1994	715,000	5.375

December 1, 1995	1,280,000	5.375
December 1, 1996	1,380,000	5.000
December 1, 1997	1,475,000	5.200

Section 5. Capital Projects Fund

Net proceeds, except accrued interest, if any, received from the sale of the Bonds will be deposited in the "Everett School District No. 2 Capital Project Fund" (the "Capital Projects Fund") heretofore created pursuant to RCW 28A.320.330. Any interest earnings on money invested from the Capital Projects Fund shall be deposited into the Capital Projects Fund. The District's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the Capital Projects Fund to assure completion of the Project.

The Bond proceeds shall be used to pay the Costs of the Project heretofore authorized. When the Project has been completed and all Costs of the Project have been paid in full, any balance remaining in the Capital Project Fund may be used for other capital improvements and betterments to the facilities of the District, or may be deposited into the Debt Service Fund.

Section 6. Debt Service Fund

Accrued interest received from the sale of the Bonds will be deposited in the "Everett School District No. 2 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 in the Debt Service Fund to the extent necessary to satisfy the covenants set forth in Section 15 hereof. Money in the Debt Service Fund will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (1) one year's earnings on amounts in said fund, or (2) one-twelfth of the annual debt service on the Bonds. Any interest earnings on money invested from the Debt Service Fund shall be deposited into the Debt Service Fund.

Section 7. Place, Manner and Medium of Payment

A. Payment to Registered Owners. Both principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof, whose names and addresses shall appear on the Bond Register maintained by the Registrar.

B. Interest Payments. 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 fifteen (15) days prior to the interest payment date.

Interest on each Bond shall cease to accrue on its respective maturity date whether or not it is surrendered for payment, unless the District fails to deposit with the Fiscal Agent sufficient funds to provide for the payment of principal and interest thereon when due, in which case interest shall continue to accrue on the unpaid principal balance until the full amount of such unpaid principal balance shall have been paid or deposited with the Fiscal Agent.

C. Principal Payments. 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, at either of the principal corporate trust offices of the Registrar.

D. Rights of Registered Owners. 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. The Registered Owner or 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.

E. Bonds not Presented for Payment. 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 of all of the Bonds. The Treasurer shall deposit such funds into a separate account to be held solely for the benefit of Registered Owners of Bonds that have not been presented for payment, and which funds shall be used solely for paying the principal of such Bonds and the interest that had accrued thereon to the date of maturity. 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 Outstanding Bonds.

Section 8. Open Market Purchase and Cancellation

The District hereby reserves the right to purchase the Bonds on the open market at any time, at any price. All Bonds so purchased shall be cancelled.

Section 9. 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 imprinted or impressed 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 Bond shall be typewritten, and shall be delivered to the purchaser of the Bonds 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 \$4,950,000, shall be numbered 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, and shall be manually signed by the President and the Secretary. 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 10. 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 A hereto, that 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 11. Registration

The Washington State Fiscal Agencies, in Seattle, Washington and New York, New York, are 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 supplemented), 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.

C. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

D. 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.

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

F. The Registrar, in its capacity as Fiscal Agent, is authorized to and shall act in accordance with the requirements, rules and regulations set forth under the "Rules of the Stock Transfer Association," the "Uniform Stockholder Description" (as adopted by The New York Clearing House Association), the "Uniform Commercial Code" and the Securities and Exchange Commission "Regulation of Transfer Agents" (Release No. 34-13636).

Section 12. 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 accompanied by a

written instrument of transfer in form satisfactory to the Registrar 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. The Registrar shall not be obligated to exchange or transfer any Bond during the fifteen (15) days preceding any principal or any interest payment date.

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 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 13. Mutilated, Destroyed, Lost or Stolen Bonds

A. Bonds Issued in Substitution. If any Bond shall become mutilated, destroyed, lost or stolen, 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 Treasurer and the Registrar a written affidavit specifically alleging on oath that said 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 13 satisfactory to the District and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, destroyed, lost or stolen 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 and, in any such case, the principal 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.

B. Notation on Bond Register. Upon the issuance and authentication of any substitute Bond under the provisions of this Section 13, the Registrar shall enter upon the Bond Register a notation that the original Bond was cancelled and a substitute Bond was issued therefor.

C. Rights of Substitute Bond. Every substituted Bond issued pursuant to this Section 13 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.

D. Exclusive Right. 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 14. 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 cancelled 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 recodified), the Washington State Fiscal Agency Agreement, or both.

Section 15. Covenants

A. District Debt Limit Not Exceeded. The Board finds and covenants on behalf of the District that the Bonds, together with all other bonds Outstanding simultaneously with the Bonds, are issued within the applicable constitutional and statutory debt limitations of the District.

B. Levy of Taxes for Payment. 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 and credit of the District is hereby irrevocably pledged for the annual levy and collection of such taxes and 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 money, to meet the annual payments of principal and semiannual payments of interest maturing and accruing as set forth in Section 4 hereof.

C. Tax Covenants. The District covenants to comply with each requirement of the Internal Revenue Code of 1986, as amended (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.

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.

D. Survival of Tax Covenants. Notwithstanding any other provision of the 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 Section 15(C) hereof shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 16 hereof.

Section 16. Defeasance

In the event that money and/or Government Obligations (as defined in Chapter 39.53 RCW as currently written or later amended), 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 of any Bonds becoming due, either at maturity or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with this Section 16, 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 17. Amendments to Bond Resolution

A. Supplemental Resolution. 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 the covenants and agreements of the District in this Resolution, other covenants and agreements thereafter to be observed, that shall not adversely affect the interests of the Registered Owners of any Bonds, or to surrender any right or power herein reserved.

(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 that 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 17.

B. Amendment With Consent of Owners. With the consent of the Registered Owners of not less than sixty-five percent (65%) 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 the 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; or

(3) Eliminate any pledge of the District's full faith and credit or the District's obligation to collect annual levies of taxes in payment of the principal of or interest on the Bonds or any covenant of the District contained in Section 15 hereof.

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. Effect of Amendments. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section 17, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District hereunder 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.

D. Legends. Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this Section 17 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 18. Sale of Bonds

The Underwriters have offered to purchase all the Bonds to be issued pursuant hereto, which offer has been made by means of and subject to the terms and conditions of the Bond Purchase Contract between the Underwriters and the District dated as of May __, 1992 (the "Bond Purchase Contract"). The proper officials of the District are hereby authorized and directed to execute and deliver such Purchase Contract on behalf of the District and to do all things necessary and to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of this Resolution.

The Bonds will be printed at the District's expense and will be delivered to the purchasers in accordance with the Bond Purchase Contract 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 19. Qualified Tax-Exempt Obligations

The District hereby designates the Bonds as "qualified tax-exempt obligations" pursuant to and as defined in Section 265(b) of the Code. The District covenants that it shall not designate more than \$10,000,000 of tax-exempt obligations during the calendar year 1992. The District does not reasonably anticipate that it will issue in the aggregate more than \$10,000,000 principal amount of tax-exempt obligations during the calendar year 1992. In applying this \$10,000,000 limitation, the District has taken into account (A) tax-exempt obligations that it has issued and anticipates issuing, (B) tax-exempt obligations that any "subordinate entity" has issued or anticipates issuing, (C) tax-exempt obligations that any entity that issues obligations on behalf of the District has issued or anticipates issuing, and (D) tax-exempt obligations that an entity formed to avoid this \$10,000,000 limitation has issued or anticipates issuing. However, in applying this \$10,000,000 limitation, the District need not take into account any private activity bond (other than qualified 501(c)(3) bonds) and any obligation issued to refund (other than in an advance refunding) another obligation to the extent that the amount of the refunding obligation does not exceed the amount of the refunded obligation.

Section 20. Approval of Preliminary Official Statement

The District hereby approves the Preliminary Official Statement, dated April 27, 1992, relating to the Bonds (the "Preliminary Official Statement") and authorizes the distribution of the Preliminary Official Statement by the Underwriters in connection with the offering of the Bonds. Pursuant to Rule 15c2-12 ("Rule 15c2-12") promulgated by Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the District hereby deems this Preliminary Official Statement as final as of its date except for 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 (7) business days from the date of the Bond 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 Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Section 21. 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 the special election, making said acquisitions and improvements within and for the District, and issuing of the Bonds, are hereby in all respects ratified, approved and confirmed.

Section 22. 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 and 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 23. Headings

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

Section 24. Repealer

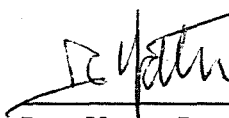
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and shall have no further force or effect.

Section 25. 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 the Everett School District No. 2, Snohomish County, Washington, at a special open public meeting thereof, notice of which was given as required by law, held this 8th day of May, 1992.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

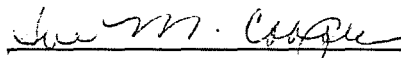


Roy Yates, President

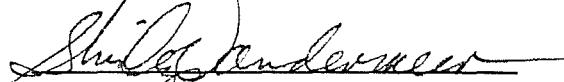


Paul Baldwin, Member

Charles E. Betts, Member

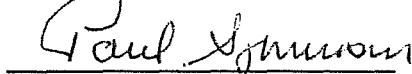


Sue M. Cooper, Member



Shirley Vandermeer, Member

ATTEST:



Dr. Paul Sjunnesen
Superintendent and Secretary
of the Board of Directors

(S E A L)

CERTIFICATE

I, Dr. Paul Sjunnesen, as Superintendent and Secretary of the Everett School District No. 2, of Snohomish County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a special meeting of the Board of Directors of said District, duly held at the regular meeting place thereof on May 8, 1992, of which meeting all members of said Board had due notice, and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof, Directors:

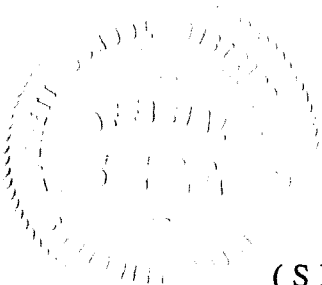
NAYS, Directors:

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 set my hand on May 8, 1992.



(SEAL)

Dr. Paul Sjunnesen
Superintendent and Secretary of the
Board of Directors

**EXHIBIT A
To Bond
Resolution**

[Face of Bond]

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

**EVERETT SCHOOL DISTRICT NO. 2
UNLIMITED TAX GENERAL OBLIGATION BOND, SERIES 1992**

**(The Bonds of this series have been designated
"Qualified Tax-Exempt Obligations")**

Number _____ \$ _____

See Reverse Side For
Additional Provisions

INTEREST RATE: MATURITY DATE: CUSIP:

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 the laws of the state of Washington now in force, 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. 473, adopted by the Board of Directors of the District on May 8, 1992 (the "Bond 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, 1992, 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 June 1, 1993, and semiannually thereafter on each December 1 and June 1, to the stated date of maturity. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Both 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 Agencies, 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 such other address as may be furnished in writing by such Registered Owner to the Registrar. Principal shall be paid to the Registered Owner upon presentation and surrender of this Bond on or after its stated date of maturity, at either of the principal corporate trust offices of 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 fifteen (15) days prior to the interest payment date.

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 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 resolutions and ordinances of the District, specifically the Bond 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 its President, attested by the facsimile signature of the Secretary and has caused a facsimile of the seal of the District to be reproduced hereon as of this ____ day of _____, 1992.

EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington

[Facsimile signature]
President of the Board of Directors

(Facsimile Seal)

ATTEST:

[Facsimile signature]
Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Everett School District No. 2 Unlimited Tax General Obligation Bonds, Series 1992, dated as of June 1, 1992, and described in the within-mentioned Bond Resolution.

WASHINGTON STATE FISCAL AGENCY,
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, and dates of maturity, aggregating \$4,950,000 in principal amount. The Bonds are issued as serial 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 1997, inclusive. Capitalized terms used herein shall have the meanings set forth in the Bond 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 28A.530, 39.36 and 39.46 RCW, and proceedings duly adopted and authorized by the Board of Directors of the District, more particularly the Bond Resolution, and also pursuant to the legal authorization of a special election duly noticed, held and conducted within said District on February 6, 1990. The Bonds are issued for the purpose of Acquiring, constructing, and installing certain capital improvements to the District's educational facilities, as more fully described in the Bond Resolution.

The Bonds are unlimited tax general obligation bonds 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 thereof and interest thereon. The Bonds are payable from ad valorem taxes levied and to be levied upon all the taxable property within said District without limitation as to rate or amount.

The Bonds are issued in fully registered form in denominations of \$5,000 each, or any integral multiple thereof within a single maturity. 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 authorized denominations of the same interest rate and maturity, and for the same aggregate principal amount will be issued to the transferee or exchangee, in exchange therefor. The Registrar shall not be obligated to exchange or transfer any Bond during the fifteen (15) days preceding any principal or any interest payment date.

Reference is hereby made to the Bond 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 Bond 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 Bond 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 do 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

[Legal Opinion of Perkins Coie to Appear Here]

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 Gifts to Minors Act _____		
JT TEN --	as joint tenants with right of survivorship and not as tenants in common				(State)

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers 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.

Dated: _____

Signature: _____
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.

SIGNATURE GUARANTEED:

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

Authorized Officer