

EVERETT SCHOOL DISTRICT NO. 2

SNOHOMISH COUNTY, WASHINGTON

**RESOLUTION NO. 436**  
**(Refunding Bonds)**

A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, PROVIDING FOR THE AUTHORIZATION, SALE AND ISSUANCE OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS FOR THE PURPOSE OF REFUNDING THE \$32,950,000 CALLABLE PORTION OF THE DISTRICT'S "UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1986A and 1986B" DATED JULY 1, 1986 AND "GENERAL OBLIGATION BONDS, SERIES 1980" DATED NOVEMBER 1, 1980; PROVIDING FOR THE PAYMENT OF AND REDEMPTION PRIOR TO MATURITY OF THE BONDS TO BE REFUNDED; AND PROVIDING FOR THE DATES, FORM, TERMS AND MATURITIES OF THE REFUNDING BONDS AND FOR TAX LEVIES TO PAY THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT; APPROVING A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT FOR USE IN PAYING THE BONDS TO BE REFUNDED; AUTHORIZING THE PURCHASE OF GOVERNMENT OBLIGATIONS; DESIGNATING A FISCAL AGENT AND BOND COUNSEL; AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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WHEREAS, pursuant to Resolutions No. 347, 348, 349 and 350 adopted on June 9, 1986, June 13, 1986, June 16, 1986 and June 25, 1986, Everett School District No. 2, Snohomish County, Washington (the "District") sold and issued \$37,950,000 of the District's Unlimited Tax General Obligation Bonds, Series 1986A and 1986B (collectively, the "Series 1986 Bonds"); and

WHEREAS, the District reserved the right to call, pay and redeem prior to maturity thereof \$31,535,000 of the Series 1986 Bonds due December 1, 1996 through December 1, 2004 as more fully identified in Exhibit A to this Resolution, which bonds are to be redeemed prior to maturity pursuant to the Refunding Plan on June 1, 1996 at par plus accrued interest to the date of redemption; and

WHEREAS, pursuant to Resolution No. 278 adopted on August 25, 1980, Everett School District No. 2, Snohomish County, Washington (the "District") sold and issued \$2,990,000 of the District's Unlimited Tax General Obligation Bonds, Series 1980 (the "Series 1980 Bonds"); and

WHEREAS, the District reserved the right to call, pay and redeem prior to maturity thereof all of the outstanding Series 1980 Bonds on any interest payment date on or after

November 1, 1990 as more fully identified in Exhibit A to this Resolution, which bonds are to be redeemed prior to maturity pursuant to the Refunding Plan on May 1, 1991 at par plus accrued interest to the date of redemption; and

WHEREAS, Chapter 39.53 RCW authorizes the District to issue and sell, without an election, general obligation bonds of the District to refund the Refunded Bonds; and

WHEREAS, the net interest rates borne by the Refunded Bonds are higher than the rates which will likely be borne by the Bonds, as hereinafter defined, and it is anticipated that the refunding of the Refunded Bonds will provide a savings to the District and will allow the District to modify certain debt service requirements; and

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; and

WHEREAS, the Underwriter (defined below) has made an offer to purchase the Bonds; and

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

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

#### **SECTION 1. Definitions.**

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Resolution and of any resolution supplemental hereto, have the meanings specified; words importing the singular number include the plural number and vice versa:

A. "Authorized Officer" means any of the following: the President or Vice President of the Board of Directors of the District, the Secretary of the Board of Directors (the Superintendent of the District), and such other persons as may be designated from time to time by the Board of Directors to perform tasks under this Resolution.

B. "Bond Register" means the registration books on which are maintained the names and addresses of the owners of the Bonds.

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

D. "Bonds" means the "Everett School District No. 2, Snohomish County, Washington, Unlimited Tax General Obligation Refunding Bonds, Series 1991-A," the sale and issuance of which are provided for in this Resolution.

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

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

G. "Fiscal Agency Agreement" means the contract from time to time between the State of Washington and the Fiscal Agent.

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

I. "Government Obligations" means obligations described in Chapter 39.53 RCW, as from time to time in effect, or any successor or supplemental statute relating to refunding bonds.

J. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, together with all applicable rulings and the regulations of the United States Treasury.

K. "Outstanding Bonds" means collectively the Series 1986 Bonds and the Series 1980 Bonds.

L. "Purchase Contract" means the Bond Purchase Contract between the District and Underwriter described in Section 15 of this Resolution.

M. "Refunded Bonds" means those Outstanding Bonds to be refunded and redeemed prior to maturity as more fully described in Exhibit A to this Resolution.

N. "Refunding Plan" means the refunding of the Refunded Bonds through the issuance of the Bonds, as more particularly described in this Resolution.

O. "Registered Owner" means the person named as the registered owner of a Bond on the Bond Register.

P. "Resolution" means this Resolution No. 436 of the District.

Q. "Series 1986 Bonds" means the \$37,950,000 principal amount of bonds issued pursuant to Resolutions No. 347, 348, 349 and 350, as more fully described in the Recitals to this Resolution.

R. "Series 1980 Bonds" means the \$2,990,000 principal amount of bonds issued pursuant to Resolution No. 278 as more fully described in the Recitals to this Resolution.

S. "Treasurer of the District" 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.

T. "Underwriter" means, collectively, Dain Bosworth Incorporated and Seattle-First National Bank, as co-managers.

## **SECTION 2. Authorization and Purpose of Bonds.**

In order to effect a savings in debt service requirements of the District and to restructure the debt service schedule in the best interests of the District, the District hereby determines to issue and sell the Bonds in order to provide funds for the purpose of:

A. Paying the interest on the Series 1986 Bonds up to and including June 1, 1996, and, on June 1, 1996, paying and redeeming all of the Series 1986 Bonds at par;

B. Paying the interest on the Series 1980 Bonds on May 1, 1991 and, on May 1, 1991, paying and redeeming all of the Series 1980 Bonds at par;

C. Paying all costs incidental to the accomplishment of the Refunding Plan and paying the expenses incurred in connection with the sale and issuance of the Bonds.

## **SECTION 3. Description of Bonds.**

The Bonds shall be designated "Everett School District No. 2, Snohomish County, Washington, Unlimited Tax General Obligation Refunding Bonds, Series 1991A" and shall be in substantially the form of Exhibit B to this Resolution. The Bonds shall be in the aggregate principal sum of \$36,165,000; shall be dated March 1, 1991; shall be issued in fully registered form; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest at the rates specified in the Purchase Contract; and shall mature on the dates in

each of the years and in the principal amounts as set forth in the attached Purchase Contract.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable on December 1, 1991, and semiannually thereafter on June 1 and December 1 of each year to the maturity or earlier redemption thereof. 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 Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-105.

#### **SECTION 4. Place, Manner and Medium of Payment.**

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed prior to or on the interest payment date to the Registered Owners or nominees of such owners whose names appear on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the Registered Owners at either of the principal offices of the Bond Registrar.

#### **SECTION 5. Optional Redemption; Notice; Effect of Redemption; Open Market Purchase; Cancellation.**

A. Optional Redemption. The Bonds maturing on or before June 1, 2001 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after December 1, 2001 are subject to optional redemption by the District on and 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 a price of 100% of the principal amount, together with accrued interest to the date of redemption.

B. Notice. Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by registered or certified mail to the Registered Owner of each Bond to be redeemed pursuant to the procedures established by the Bond Registrar. In addition, notice of any intended redemption shall be given in compliance with any applicable regulations then in effect.



C. Effect of Redemption. If the District shall have set aside on the date fixed for redemption sufficient money for the payment of all Bonds called for redemption as provided in this Section 5, the Bonds so called shall cease to accrue interest after such redemption date, and all such Bonds shall be deemed not to be outstanding hereunder for any purpose, except that the Registered Owners thereof shall be entitled to receive payment of the redemption price and interest accrued on the principal of the Bonds to the redemption date from the money set aside for such purpose.

D. Open Market Purchases. The District reserves the right to purchase any or all of the Bonds on the open market at any time at a price not in excess of par plus accrued interest.

E. Cancellation of Bonds. All Bonds purchased or redeemed under this Section 5 shall be cancelled.

#### **SECTION 6. District Debt Limit Not Exceeded.**

The Board of Directors finds and covenants on behalf of the District that the Bonds, together with all other bonds issued simultaneously with the Bonds, are issued within the applicable debt limitations of the District.

#### **SECTION 7. 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, 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 are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. The District covenants that it will not take or permit to be taken on its behalf any action which would adversely affect the exemption of the interest on the Bonds from federal income taxation under the Internal Revenue Code and will take or require to be taken such acts as may be required under the Internal Revenue Code to continue the exemption of the interest on the Bonds from federal income taxation. Without limiting the generality of the foregoing, the District will comply with Section 148 of the Internal Revenue Code, will spend the proceeds of the Bonds with due diligence to completion of the purpose specified herein, will pay any required rebate or penalty (if permitted in lieu of loss of tax exemption) to the United States of America under Section 148(f) of the Internal Revenue Code, and will not

invest or make other use of the proceeds of the Bonds or of its other money or take other intentional acts at any time during the term of the Bonds which will cause such Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Internal Revenue Code. The Superintendent and other appropriate officials of the District are hereby authorized to execute such certificates as shall be necessary to establish that the Bonds are not arbitrage bonds within the meaning of said Section 148(a). The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certifications may not be relied upon.

#### **SECTION 8. Bond Proceeds; Funds.**

Accrued interest received from the sale of the Bonds will be deposited in the debt service fund of the District heretofore created by the Treasurer of the District. Tax receipts and, as from time to time directed by the Board of Directors of the District, 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 7 of this Resolution. All other money derived from the sale of the Bonds shall be used as provided in Section 22 of this Resolution.

#### **SECTION 9. 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 resolutions authorizing the Series 1986 Bonds or Series 1980 Bonds.

#### **SECTION 10. Execution of Bonds.**

The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the President of the Board of Directors and the Superintendent of the District as Secretary of the Board of Directors in accordance with law, including RCW 39.44.100.

A facsimile of the official seal of the District may be imprinted or otherwise reproduced on the Bonds, which facsimile is adopted as the seal of the District for such Bonds.

In the event any officer who shall have signed or whose facsimile signature appears on any of the Bonds shall cease to be such officer before those Bonds shall have been actually authenticated or issued, those bonds nevertheless may be

authenticated and issued and, upon such authentication and issuance, shall be as binding upon the District as though that person had not ceased to be such officer. Any Bond may be executed on behalf of the District by such officer who, at the actual date of execution of such Bond, shall be the proper officer of the District, although on the date borne by such Bond such officer might not have held such office.

**SECTION 11. Authentication and Delivery of Bonds by Bond Registrar.**

The Bond 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 Bond Registrar's powers and duties under this Resolution and the Fiscal Agency Agreement.

Only such Bonds as shall bear thereon a Certificate of Authentication manually executed by an authorized representative of the Bond 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 Bond Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

**SECTION 12. Registration.**

A. Bond Register. The Bonds shall be issued only in registered form as to both principal and interest. The Bond Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust offices which shall at all times be open to inspection by the District.

B. Registered Ownership. The District and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment as described in Section 12C of this Resolution.

C. Transfer or Exchange of Registered Ownership. The Bonds shall be transferable by the Registered Owners thereof or by any Registered Owner's duly authorized agent at the Bond Registrar, but only upon the due completion of the assignment form appearing thereon and upon the surrender and cancellation of the Bond to be transferred. Upon such transfer, a new Bond

(or Bonds at the option of the new Registered Owner) of the same maturity and for the same aggregate principal amount will be issued to the new Registered Owner, without charge, in exchange therefor. The Bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same maturity and interest rate in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

D. Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository 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 the Registered Owners of the Bonds.

#### **SECTION 13. Lost, Stolen or Destroyed Bonds.**

If any Bond becomes mutilated, lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of the same interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with law. If such lost, stolen or destroyed Bond has matured, the District, at its option, may pay the same without the surrender thereof. However, no such substitution or payment shall be made unless and until the applicant shall furnish (1) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of the ownership thereof and (2) such additional security, indemnity or evidence as may be required by the District. No substitute Bond shall be furnished unless the applicant shall reimburse the District and the Bond Registrar for their respective expenses in furnishing the substitute Bond. Any such substitute Bond so furnished shall be equally and proportionately entitled to the security of this Resolution with all other Bonds of the same series issued hereunder.

#### **SECTION 14. Defeasance.**

In the event the District shall issue advance refunding bonds, or have money available from any other lawful source to pay the principal of and interest on the Bonds (or such portion thereof included in the refunding or defeasance plan) as the same become due and payable and to pay the costs of refunding or defeasance and shall have irrevocably set aside in a special fund (hereinafter called the "trust account") money and/or Government Obligations sufficient in amount, together with known earned income from the investment thereof,

to make such payments and to accomplish the refunding or defeasance as scheduled, and shall irrevocably make provision for redemption or payment of such Bonds, then in that case all right and interest of the Registered Owners of the Bonds to be so retired, refunded or defeased (hereinafter collectively called the "defeased Bonds") in the covenants of this Resolution and in the revenues, funds and accounts obligated to the payment of such defeased Bonds shall thereafter cease and become void. Such Registered Owners shall thereafter have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account. Anything herein to the contrary notwithstanding, the pledge of the full faith, credit and taxing power of the District to the payment of the Bonds shall remain in full force and effect after the establishing and full funding of such trust account. Subject to the rights of the Registered Owners of the Bonds, the District may then apply any money in any other fund or account established for the payment of the defeased Bonds to any lawful purposes as it shall determine.

#### **SECTION 15. Sale of Bonds.**

The Underwriter has 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 Bond Purchase Contract dated March 7, 1991 attached hereto as Exhibit C (the "Purchase Contract"). It is hereby determined that it is in the best interest of the District to accept and approve the Purchase Contract. The Superintendent of the District 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 purchasers in accordance with the bond sale documents with the approving legal opinion of Perkins Coie, bond counsel of Seattle, Washington, 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 of Resolution No. 437 of the District is by this reference incorporated herein in its entirety.

#### **SECTION 16. Approval of Preliminary Official Statement.**

The District hereby approves the form of Preliminary Official Statement presented to the Board of Directors attached hereto as Exhibit D and authorizes the distribution of the Preliminary Official Statement by the Underwriter in connection with the bond offering. Section 19 of Resolution No. 437 of the District is by this reference incorporated herein in its entirety.

## **SECTION 17. Authorization of Officials; Temporary Bonds.**

The Authorized Officers 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 purchasers, each without unreasonable delay.

If definitive Bonds are not ready for delivery by the date of Closing agreed to by an Authorized Officer and the purchasers, said Authorized Officer, upon the approval of the purchasers, may cause to be issued and delivered to the purchasers one or more temporary Bonds with appropriate omissions, changes and additions. Any temporary Bond or Bonds shall be entitled and subject to the same benefits and provisions of this Resolution with respect to the payment, security and obligation thereof as definitive Bonds authorized hereby. Such temporary Bond or Bonds shall be exchangeable without cost to the Registered Owner thereof for definitive Bonds when the latter are ready for delivery.

## **SECTION 18. Redemption of Refunded Bonds.**

The District calls the then outstanding Series 1986 Bonds for redemption prior to maturity on June 1, 1996 at a price equal to par plus accrued interest to the date of redemption.

The District calls the then outstanding Series 1980 Bonds for redemption prior to maturity on May 1, 1991 at a price equal to par 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 Authorized Officers are authorized and directed to give such notice as may be required, at the time and in the manner required, pursuant to law and the authorizing resolutions for the Series 1986 Bonds in order to effect the redemption prior to their maturity of the various Refunded Bonds on the dates set forth above.

## **SECTION 19. Escrow.**

Each of the Authorized Officers 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 on the Refunded Bonds. Any

Authorized Officer shall have authority to execute all agreements necessary to effect such escrow arrangements.

**SECTION 20. Acquisition of Government Obligations.**

An Authorized Officer, on behalf of the District, shall obtain and deliver to the escrow agent for deposit, or cause the escrow agent 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 the amounts specified in Sections 2A and 2B of this Resolution.

An Authorized Officer shall designate or cause the escrow agent to designate that all of the principal of and interest on the Government Obligations acquired or subscribed for shall be payable to the escrow agent. Such subscriptions may be amended as permitted by federal law and regulations.

**SECTION 21. Verification of Sufficiency of Escrow.**

An Authorized Officer is authorized and directed to obtain, prior to Closing, independent verification from a firm of 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 make the payments described in Sections 2A and 2B of this Resolution. Any temporary or permanent substitutions of Government Obligations may only be effected (i) in accordance with the document establishing the escrow provided for in Section 19 of this Resolution, or (ii) in accordance with procedures which shall have been approved by nationally recognized Bond Counsel.

**SECTION 22. Delivery of Bond Proceeds to Escrow Agent.**

The Treasurer of the District shall cause accrued interest on the Bonds received at Closing to be deposited into the debt service fund as specified in Section 8 of this Resolution. At the direction of an Authorized Officer, the Treasurer of the District shall pay or deliver the principal proceeds of the Bonds and any premium thereon (except for amounts necessary to pay the expenses of carrying out the Refunding Plan, which shall be paid in such manner as determined by an Authorized Officer of the District) to the escrow agent or shall purchase Government Obligations for delivery to the escrow agent, in each case to be used and applied by the escrow agent pursuant to the document establishing the escrow provided for in Section 19 of this Resolution.

The Authorized Officers are 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 23. Defeasance of Refunded Bonds and Covenants.**

Upon delivery of the Bonds on the date of Closing, the Refunded Bonds shall no longer be considered to be outstanding for purposes of the limitations on District debt contained in the statutes and Constitution of the State of Washington. Thereafter, the Refunded Bonds and any interest obligations relating thereto shall cease to be entitled to any lien, benefit or security of the resolutions of the District pursuant to which they were issued except for the right to receive the money and the proceeds of the investments irrevocably deposited and set aside with the escrow agent pursuant to the escrow agreement for payment of the Refunded Bonds.

**SECTION 24. Fiscal Agent.**

The District hereby appoints the Washington State Fiscal Agent to act as the Bond Registrar, transfer agent and paying agent for the Bonds.

The 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)."

The Fiscal Agent is authorized to and shall act in accordance with the Washington State Fiscal Agency Agreement entered into by and between the State of Washington and said Fiscal Agent.

**SECTION 25. Bond Counsel.**

The District hereby designates Perkins Coie of Seattle, Washington, to act as bond counsel in connection with the issuance and delivery of the Bonds.

**SECTION 26. 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 27. Headings.**

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

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 7th day of March, 1991.

EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington

Charles E. Betts, President

Roy Yates, Vice President

Sue M. Cooper, Member

Earl E. Dutton, Member

Shirley Vandermeer, Member

ATTEST:

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

**EXHIBIT A**

**BONDS TO BE REFUNDED**

The following described bonds shall be refunded and redeemed on June 1, 1996.

**Series 1986-A**

<u>Maturity Dates</u>	<u>Due June 1 Amounts</u>	<u>Due December 1 Amounts</u>	<u>Interest Rates</u>
1996		\$750,000	7.70%
1997		100,000	7.80
1998		170,000	7.90
1999		1,120,000	8.00
2000		0	-
2001	\$2,185,000	2,260,000	8.15
2002	2,490,000	2,580,000	8.15
2003	2,825,000	2,930,000	8.20
2004	3,195,000	1,620,000	8.25

**Series 1986-B**

<u>Maturity Dates</u>	<u>Due June 1 Amounts</u>	<u>Due December 1 Amounts</u>	<u>Interest Rates</u>
1996	\$0	\$520,000	7.70%
1997	145,000	1,165,000	7.80
1998	65,000	1,300,000	7.90
1999	1,650,000	590,000	8.00
2000	1,905,000	1,970,000	8.05

The following described bonds shall be refunded and redeemed on May 1, 1991.

**Series 1980**

<u>Maturity Dates</u>	<u>Due November 1 Amounts</u>	<u>Interest Rates</u>
1991	\$245,000	7.90%
1992	265,000	8.00
1993	280,000	8.30
1994	300,000	7.50
1995	325,000	8.65

EXHIBIT B

UNITED STATES OF AMERICA

STATE OF WASHINGTON

EVERETT SCHOOL DISTRICT NO. 2

SNOHOMISH COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND,  
SERIES 1991-A

Interest Rate:                      Maturity Date:                      CUSIP No.

Registered Owner:

Principal Amount:                      DOLLARS

EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON (the "District") promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above from the Everett School District No. 2 Snohomish County, Washington, Unlimited Tax General Obligation Refunding Bond Redemption Fund the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the date of this bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above payable on December 1, 1992, and semiannually thereafter on each succeeding June 1 and December 1 until the Principal Amount is paid.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft on or before each interest payment date to the Registered Owner or nominee of such owner whose name appears on the registration books maintained by the Bond Registrar (the "Bond Register") on the 15th day of the month preceding the interest payment date at the address shown on the Bond Register. Principal shall be paid to the Registered Owner upon presentation and surrender of this bond at the principal office of either Fiscal Agent of the State of Washington in Seattle, Washington, or New York, New York, at the option of the Registered Owner.

This bond and the right to receive the principal hereof and the interest hereon may not be assigned except on the Bond Register.

Reference is hereby made to additional provisions of this bond set forth on the reverse hereof and in Resolution No. 436 of the District (the "Bond Resolution") 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 signed by the Bond Registrar.

It is hereby certified and declared that all acts, conditions and things required to exist, to have happened, been done and performed precedent to and in the issuance of this bond do exist, have happened, been done and performed, and that the total indebtedness of the District, including this bond and the bonds of this issue, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, Everett School District No. 2, Snohomish County, Washington, has caused this bond to be signed with the facsimile signatures of its duly authorized officers [and has caused a facsimile of the seal of the District to be reproduced hereon] as of this first day of March, 1991.

EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington

[(Facsimile Seal)]

\_\_\_\_\_  
President  
Board of Directors

\_\_\_\_\_  
Superintendent (as Secretary,  
Board of Directors)

## REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the Unlimited Tax General Obligation Refunding Bonds, Series 1991-A, of Everett School District No. 2, Snohomish County, Washington, described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENT  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

### ADDITIONAL BOND PROVISIONS

This bond is one of a total issue of \$36,165,000 par value of bonds, all of which bonds are of like date and tenor, except as to number, denomination, option of redemption, interest rate and date of maturity. All bonds are in the denomination of \$5,000 or integral multiples thereof. The bonds are issued by the District pursuant to Chapter 39.53 RCW for the purpose of providing the money required to refund the \$31,535,000 callable portion of its outstanding Unlimited Tax General Obligation Bonds, Series 1986A and 1986B and the \$1,415,000 callable portion of the District's General Obligation Bonds, Series 1980, and in accordance and in strict compliance with all statutes of the State of Washington applicable thereto, with the Constitution of the State of Washington and pursuant to the Bond Resolution and all other duly adopted resolutions of the District.

This bond is transferable by the Registered Owner hereof or by the Registered Owner's duly authorized agent at the Bond Registrar, but only in the manner and subject to the limitations set forth in the Bond Resolution, and only upon the due completion of the assignment form appearing hereon and upon the surrender and cancellation of this bond. Upon such transfer, a new bond (or bonds at the option of the new Registered Owner) of the same maturity and for the same aggregate principal amount will be issued to the new Registered Owner, without charge, in exchange therefor. This bond and other bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of bonds of the same maturity and interest rate in any authorized denomination. The Bond Registrar shall

not be obligated to transfer or exchange any bond during the fifteen days preceding any principal payment or redemption date.

The bonds maturing on or before June 1, 2001 are issued without the right of the District to call the same for redemption prior to their maturity dates.

The bonds maturing on or after December 1, 2001 are subject to optional redemption by the District on June 1, 2001 or on any interest payment date thereafter, in whole, or in part in multiples of \$5,000 (with 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 to the date of redemption. Notice of any intended redemption will be given by registered or certified mail to the Registered Owners of the bonds to be redeemed at their addresses as they appear on the Bond Register. Such mailing will be made not less than 30 nor more than 60 days prior to the redemption date.

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, with other moneys legally available therefor, will be sufficient to pay the principal of and interest on the bonds as the same shall become due. The full faith, credit and taxing power of the District are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

[BOND COUNSEL OPINION TO APPEAR HERE]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within  
(name and address of assignee)  
bond and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ of \_\_\_\_\_, or its  
successor, as Bond Registrar to transfer said bond on the  
books kept for registration thereof with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

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

SIGNATURE GUARANTEE:

\_\_\_\_\_