

EVERETT SCHOOL DISTRICT NO. 2

SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 437
(General Obligation Bonds)

A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000, OR SO MUCH THEREOF AS MAY BE ISSUED UNDER THE LAWS GOVERNING THE INDEBTEDNESS OF SCHOOL DISTRICTS, FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE CERTAIN CAPITAL IMPROVEMENTS TO THE FACILITIES OF THE DISTRICT AUTHORIZED BY RESOLUTION NO. 414 OF THE BOARD OF DIRECTORS AND APPROVED BY THE QUALIFIED ELECTORS OF THE DISTRICT AT THE ELECTION HELD THEREIN ON FEBRUARY 6, 1990; PROVIDING FOR THE DATE, FORM, TERMS AND MATURITIES OF SAID BONDS AND TAX LEVIES TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; DESIGNATING A FISCAL AGENT; DESIGNATING BOND COUNSEL; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT; APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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EXHIBITS:

Exhibit A	Form of Bond
Exhibit B	Purchase Contract

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R E C I T A L S

WHEREAS, at a special election held in Everett School District No. 2, Snohomish County, Washington (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; and

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; and

WHEREAS, it is deemed necessary and advisable that the District issue and sell its unlimited tax general obligation bonds in the principal amount of \$10,000,000 of such Authorized Amount at this time; 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 agencies for the State of Washington and any political subdivisions who so designate, and the Fiscal Agent (as hereinafter defined) and the District wish to establish the procedures pursuant to which the Fiscal Agent will carry out its duties; and

WHEREAS, Dain Bosworth Incorporated, acting as Senior Manager, and Seattle-First National Bank, acting as Co-Manager, have made an offer to purchase said bonds; and

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

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

Section 1. Definitions. As used in this Resolution the following terms shall have the meanings set forth below:

"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 the same shall be duly and regularly constituted from time to time.

"Bond Register" means sufficient books for the registration and transfer of the Bonds maintained by the Bond Registrar.

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

"Bonds" means the "Everett School District No. 2, Snohomish County, Washington, Unlimited Tax General Obligation Bonds, Series 1991-B" as more fully described in Sections 3 and 4 hereof.

"Capital Projects Fund" means the "Everett School District No. 2 Capital Projects Fund" referred to in Section 11, heretofore created in the Office of the Treasurer of Snohomish County, Washington, to be used for capital expenditures of the District, including those authorized by Resolution No. 414.

"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 interest 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:

(i) preliminary expenses advanced by the District from funds available for the use therefor, or advanced from any other source, with approval of the Board, or any combination thereof;

(ii) the costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(iii) the costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help, or other agents or employees;

(iv) the costs of contingencies;

(v) capitalized interest for a period not to exceed six months, the costs of a discount on the Bonds, if any, and the costs of issuance, registration and authentication of the Bonds;

(vi) the acquisition costs of any properties, rights, easements, or other interests in properties, or any licenses, privileges, agreements and franchises; and

(vii) 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" referred to in Section 12, heretofore created in the Office of the Treasurer of Snohomish County, Washington, to be used to pay the principal of and interest on the Bonds.

"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 Bond Registrar.

"Fiscal Agent" means Seattle-First National Bank of Seattle, Washington, and The Bank of New York of New York, New York, or either of them, or their successors in functions as now or hereafter designated, acting as the Washington State Fiscal Agent pursuant to the Fiscal Agency Agreement.

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

"Purchase Contract" means the Purchase Contract between the District and the Underwriter dated March 7, 1991, a copy of which is attached as Exhibit B to this Resolution.

"Registered Owner" means the owner of any Bond as shown on the Bond Register.

"Treasurer" means the Treasurer of Snohomish County, Washington, as ex officio Treasurer of the District.

"Underwriter" means, collectively, Dain Bosworth Incorporated and Seattle-First National Bank.

Section 2. The Project.

A. Project Description. The Bonds are being issued for the purpose of providing funds for the acquisition, construction and installation of certain capital improvements to the District facilities authorized by Resolution No. 414 including, but not limited to, (i) the construction of a new elementary school, middle school and high school, additional classrooms and other facilities, (ii) the modernization of existing facilities, (iii) the acquisition of furniture, apparatus and equipment therefor, (iv) making other structural changes, and additions and capital improvements, and (v) for other Costs of the Project.

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 are 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 consistent with the provisions of Board Resolution 414.

C. Costs of the Project. The total Cost of the Project is estimated to be not less than \$10,000,000, 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) 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 or to call and redeem a portion of the Bonds prior to maturity.

Section 3. General Obligation Bonds Authorized. Unlimited tax general obligation bonds of the District, designated "Everett School District No. 2, Snohomish County, Washington Unlimited Tax General Obligation Bonds, Series 1991-B", in the aggregate principal amount of \$10,000,000, shall be and hereby are authorized to be issued, sold and delivered pursuant to Chapters 28A.51 and 39.46 RCW.

Section 4. The Bonds. The Bonds shall be dated March 1, 1991; shall be in the denomination of \$5,000 each or integral multiples thereof (provided that no single Bond shall represent more than one maturity); shall be registered as to both principal and interest; shall bear interest from March 1, 1991, until the date of maturity or prior redemption, at the respective rates set forth in the Purchase Contract, payable on the first day of June 1992, and semiannually on the first days of each December and June thereafter to the date of maturity or prior redemption; shall be numbered in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall mature December 1 in years and amounts as follows:

<u>Maturity Dates</u>	<u>Principal Amount</u>	^
2003	\$ 450,000	
2004	700,000	
2005	750,000	
2006	1,000,000	
2007	1,400,000	
2010	5,700,000	

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall be in substantially the form attached hereto as Exhibit A.

Section 5. Redemption of Bonds; Open Market Purchase.

A. Optional Redemption. On and after June 1, 2001, the District hereby reserves the right to redeem any of the Bonds in whole at any time or in part on any interest payment date (maturities to be selected by the District and by lot within a maturity in such manner as the Bond Registrar shall determine), at par plus accrued interest, if any, to the date of redemption.

B. Mandatory Redemption. The District shall redeem the Bonds maturing on December 1, 2010 (the "Term Bonds") by lot in such manner as the Bond Registrar shall determine, at par plus accrued interest, in the principal amounts and on the dates set forth below:

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/2008	\$1,130,000
12/01/2009	1,400,000
12/01/2010 (maturity)	3,170,000

In the event that the District shall purchase Term Bonds on the open market or redeem Term Bonds under the optional redemption provisions, the Bonds so purchased or redeemed (irrespective of their purchase or redemption price) shall be credited at the par amount thereof against the next mandatory redemption requirement for such Term Bonds which is at least 60 days after the date of such purchase or redemption.

C. Notice of Redemption. Unless waived by the Registered Owner of any Bond to be redeemed, notice of any intended redemption shall be sent by the Bond Registrar by first-class mail, postage prepaid, not less than thirty (30) nor more than (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register maintained by the Bond Registrar. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. In addition, such redemption notice may be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc. and/or to Standard & Poor's Corporation, or their respective successors, at their respective offices in New York, New York, and to the original purchaser hereof, or its successor as underwriter, but such mailing shall not be a condition precedent to the redemption of such Bonds.

D. Effect of Redemption. When so called for redemption, the Bonds shall cease to accrue interest on the specified

redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding as of such redemption date.

AE. Open Market Purchase and Cancellation. The District reserves the right and option to purchase any or all of the Bonds in the open market at any time at any price. In the event the District shall purchase the Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Bonds so purchased shall be credited at the par amount thereof against the debt service requirement next becoming due. All Bonds so purchased shall be cancelled.

Section 6. Place and Manner 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 close of business on the 15th day of the calendar month preceding the interest payment date at the addresses appearing on the Bond Register. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the Registered Owners or nominees of such owners at the principal office of the Bond Registrar in Seattle, Washington, or New York, New York, at the option of each Registered Owner, on or after the day of maturity or prior redemption.

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.

Section 7. Execution. Without reasonable delay, the District shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be typed, lithographed or printed with steel engraved or lithographed borders. The Bonds shall be executed on behalf of the District by the President of the Board, shall be attested by the Superintendent as Secretary of the Board (both of which signatures shall be by manual or facsimile in accordance with Washington law, including RCW 39.44.100) and may have the seal of the District imprinted or impressed thereon. The Bonds shall then be delivered to the Bond Registrar for authentication and delivery.

Until definitive Bonds are prepared, the District may, if deemed necessary by the Superintendent of the District, utilize a temporary bond which shall be typewritten, and which shall be delivered to the Underwriter of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds. The temporary bond shall be dated as of the date of the Bonds, shall be in the denomination of \$10,000,000, shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds, shall be manually signed by the President, the Superintendent, and the Bond Registrar and may have the seal of the District affixed thereto. In the event a temporary bond is issued, the Treasurer shall be deemed the Bond Registrar solely for the purpose of the temporary bond.

In case any officer of the District who shall have executed the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Bond 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 the same had continued to be such officers of the District. Any Bond may also be signed 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 8. Authentication. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of such Bonds and this Resolution and to carry out all 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 in the form specified in Exhibit A attached hereto, manually executed by 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.

Section 9. Transfer or Exchange of Bonds. The Bonds shall be transferable by the Registered Owners thereof or by any Registered Owner's duly authorized agent at the office of 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, interest rate 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 (15) days preceding any principal payment or redemption date.

Section 10. Mutilated, 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 mutilated, 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 (a) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of the ownership thereof and (b) 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 11. Capital Projects Fund. There has heretofore been created, and shall be maintained in the office of the Treasurer, a fund separate and distinct from all other funds and accounts of the District, designated "Everett School District No. 2 Capital Projects Fund" (the "Capital Projects Fund"), into which shall be deposited all the net proceeds of the sale of the Bonds, except accrued interest, if any, which shall be deposited into the Debt Service Fund. Any interest earnings on moneys 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 Projects 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 12. Debt Service Fund. There has heretofore been created, and shall be maintained by the Treasurer, a fund separate and distinct from all other funds of the District, designated "Everett School District No. 2 Debt Service Fund" (the "Debt Service Fund"), for the purpose of paying the principal of and interest on the Bonds when due. Proceeds of taxes levied, unlimited by constitutional and statutory tax limitations, to pay the principal of and interest on the Bonds, shall be deposited in and held in the Debt Service Fund. Any interest earnings on moneys invested from the Debt Service Fund shall be deposited into the Debt Service Fund. The Debt Service Fund shall be maintained by the Treasurer until the principal or and interest on the Bonds has been fully paid.

Section 13. 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 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 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 Code and will take or require to be taken such acts as may be required under the 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 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 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 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. The Board finds and covenants on behalf of the District that the Bonds, together with all other bonds of the District currently outstanding, are issued within the applicable debt limitations of the District.

Section 14. Defeasance. In the event the District shall issue 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," as defined by Chapter 39.53 RCW, 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 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 taxes, 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. Subject to the rights of the Registered Owners, 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. Authorization of Officials. The Secretary of the Board is hereby authorized and directed to deliver a certified copy of this Resolution to the Treasurer. The proper officials of the District are hereby authorized and directed 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.

Section 16. Bond Registrar. The District hereby appoints the Fiscal Agents in Seattle, Washington, and New York, New York, as Bond Registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds, subject to the following conditions:

A. Bond Register. The Bond Registrar shall maintain, or cause to be maintained, at its principal corporate trust

office, the Bond Register which shall at all times be open to inspection by the District. 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 this Section 16.

B. Fees and Expenses. Subject to the terms of the Fiscal Agency Agreement, dated June 1, 1988, as such contract may be amended or replaced from time to time, between the State of Washington and the Bond Registrar, the District shall pay to the Bond 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. Certificate of Authentication. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

D. Other Rights. The Bond Registrar may become the owner of Bonds 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 Registered Owners.

E. System of Registration. The District hereby adopts as its system of registration the system utilized by the Washington State Fiscal Agent.

F. Manner of Acting. The Bond Registrar is authorized to and shall act in accordance with the Fiscal Agency Agreement and 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 17. 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 18. Acceptance of Offer of the Underwriter. The offer of the Underwriter to purchase all the Bonds to be issued

pursuant to this Resolution, which offer has been made by means of and subject to the terms and conditions of the Purchase Contract dated March 7, 1991, is hereby accepted and approved by the Board. The Superintendent of the District is authorized to execute and deliver such Purchase Contract on behalf of the District.

Section 19. Approval of Preliminary Official Statement. The District hereby approves the Preliminary Official Statement dated February 22, 1991 and authorizes the distribution of the Preliminary Official Statement by the Underwriter in connection with the offering of the Bonds. Pursuant to Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), 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 Underwriter to deliver or cause to be delivered, within seven (7) business days from the date of the Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, 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 20. Contract--Severability Clause. The covenants contained in this Resolution and in the Bonds shall constitute a contract between the District and the Registered Owner of each and every Bond. If any one or more of the covenants or agreements provided in this Resolution to be performed on the part of the District shall be declared by any court of competent jurisdiction after final appeal (if any appeal be taken) to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 21. Ratification. All action heretofore taken by the Board, and the officials and 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 the issuance of the Bonds, are hereby in all respects ratified, approved and confirmed.

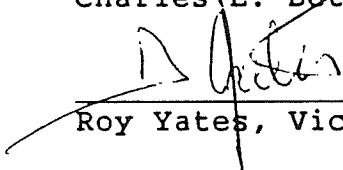
Section 22. Repealer. All resolutions or parts thereof in conflict herewith, to the extent of such conflict, are hereby repealed.

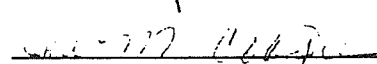
Section 23. Headings. Headings used in this Resolution are for convenience of reference only and shall not affect the interpretation or construction of this Resolution.


PASSED by the Board of Directors of 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

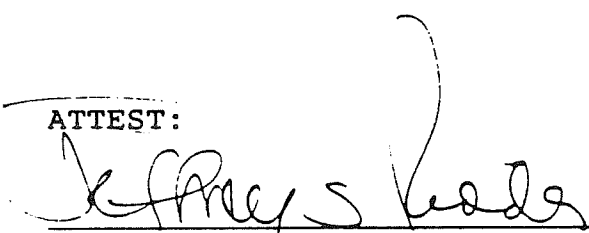

Roy Yates, Vice President


Sue M. Cooper, Member


Earl E. Dutton, Member

Shirley Vandermeer, Member

ATTEST:


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

Acting Superintendent & Secretary Pro Tem for

Section 22. Repealer. All resolutions or parts thereof in conflict herewith, to the extent of such conflict, are hereby repealed.

Section 23. Headings. Headings used in this Resolution are for convenience of reference only and shall not affect the interpretation or construction of this Resolution.

PASSED by the Board of Directors of 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

UNITED STATES OF AMERICA
STATE OF WASHINGTON
EVERETT SCHOOL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BOND, SERIES 1991-B

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, 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 June 1, 1992, and semiannually thereafter on each succeeding December 1 and June 1 until the Principal Amount is paid or otherwise provided for herein.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by check or draft mailed prior to or on 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 close of business on the 15th day of the calendar month preceding the interest payment date at the address shown on the Bond Register. Principal shall be paid upon presentation and surrender of this bond by the Registered Owner or nominee of such owner 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. 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 thereof 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.

This bond and the right to receive the principal hereof and the interest hereon may not be assigned, transferred or exchanged 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. 437 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. Unless defined herein, capitalized terms used herein shall have the meanings given to them in the Bond Resolution.

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 and to have happened, been done and been performed precedent to and in the issuance of this bond do exist and have happened, been done and been 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 Bonds, Series 1991-B, 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 \$10,000,000 par value of bonds, all of which bonds are of like date and tenor, except as to number, denomination, terms of redemption, interest rate and date of maturity. All bonds are in the denomination of \$5,000 or integral multiples thereof within a maturity. The bonds are issued in order to provide funds to pay the cost of making certain capital improvements permitted by law necessary and proper to carry out the functions of the District, pursuant to an election held in the District on February 6, 1990 authorizing the same, and in accordance with the provisions of the Constitution and statutes of the State of Washington and resolutions duly adopted by the Board of Directors 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, interest rate 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 of this series 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 15 days preceding any principal payment or redemption date.

The bonds 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 par plus accrued interest, if any, to the date of redemption. The Bonds maturing on December 1, 2010 are subject to mandatory redemption (by lot, in such manner as the Bond Registrar shall determine) in the amounts and on the dates set forth below:

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/2008	\$1,130,000
12/01/2009	1,400,000
12/01/2010 (maturity)	3,170,000

Notice of any intended redemption will be given by first class 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 date fixed for redemption. Interest on bonds called for redemption shall cease to accrue on the date fixed for redemption unless the bond or bonds called are not redeemed when presented pursuant to the call.

The District reserves the right and option to purchase any or all of the bonds in the open market at any time at any price.

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]

The provision for assignment on the bonds shall be in substantially the following form:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells,
assigns and transfers unto _____
(name and address of assignee)
the within 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:
