

EVERETT SCHOOL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION BONDS, 2009

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RESOLUTION NO. 969

A Resolution of the Board of Directors of Everett School District No. 2, Snohomish County, Washington, amending Resolution No. 967 of the Board with respect to registration and disclosure provisions and authorizing the appointment of The Bank of New York Mellon Trust Company, N.A. as the paying agent, registrar and authenticating agent for the District's Unlimited Tax General Obligation Bonds, 2009C (Qualified School Construction Bonds).

APPROVED ON OCTOBER 6, 2009

PREPARED BY:

K&L GATES LLP

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WHEREAS, pursuant to Resolution No. 967, adopted by the Board of Directors (the "Board") of Everett School District No. 2, Snohomish County, Washington (the "District") on August 25, 2009 authorized the issuance of general obligation bonds, in the amount not to exceed \$48,900,000 (the "Bonds"), to provide part of the funds necessary to construct, equip, acquire and make said capital improvements; and

WHEREAS, a portion of said Bonds were authorized to be issued as qualified school construction bonds if an allocation was received from the Office of the Superintendent of Public Construction (the "2009C Bonds"); and

WHEREAS, subsequent to the adoption of Resolution No. 967, the District received an allocation from the Office of the Superintendent of Public Instruction in the amount of \$17,445,000 to be issued as 2009C Bonds; and

WHEREAS, the office of the State Treasurer and The Bank of New York Mellon (the "Fiscal Agent") have determined that the maintenance of records and the authenticating agent, paying agent and transfer agent services to be provided for qualified school construction bonds, including the 2009C Bonds, is not included within the services negotiated by the State Finance Committee with the Fiscal Agent; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., has agreed to act as the authenticating agent, paying agent and transfer agent for the 2009C Bonds in accordance with the terms of a paying agent agreement negotiated with Superintendent of the District; and

WHEREAS, it is necessary to amend Resolution No. 967 in order to reflect this appointment with respect to the 2009C Bonds;

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

Section 1. Section 1 of Resolution No. 967, including certain definitions for capitalized terms is hereby amended as follows, with deletions shown as stricken text and additions double underlined:

***Bond Registrar*** means[, with respect to the Bonds, other than the Qualified School Construction Bonds,] the registrar appointed from time to time by the Treasurer, initially, the fiscal agency of the state of Washington[, with respect to Qualified School Construction Bonds, The Bank of New York Mellon Trust Company, N.A.,], for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Section 2. Section 3(a) of Resolution No. 967 is hereby amended as follows, with deletions shown as stricken text and additions double underlined:

Section 3. Registration.

(a) *Bond Registrar/Bond Register.* The District hereby requests that the Treasurer specify and adopt the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agency[for the Bonds other than Qualified School Construction Bonds, and the District hereby appoints The Bank of New York Mellon Trust Company, N.A. as the authenticating agent, registrar, paying agent and transfer agent for the Qualified School Construction Bonds. The state fiscal agency performs its services in accordance with a Fiscal Agent Agreement negotiated from time to time between the State Finance Committee and the state fiscal agency (currently, The Bank of New York Mellon). The Designated Representative is hereby authorized and directed to negotiate the

terms of a Paying Agent Agreement with The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent Agreement") providing for the terms of the registration, authentication, paying agent services and transfer services with respect to the Qualified School Construction Bonds, including the forms of the certificates evidencing Qualified School Construction Bonds, including certificates relating to the stripping of tax credits as applicable. The Designated Representative is authorize to execute the same and all of his actions in connection therewith, including execution is ratified, confirmed and approved]. The District shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration of transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar, DTC, each entity entitled to receive notice pursuant to Section 13, and a successor Bond Registrar appointed by the Treasurer. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

Section 3. Section 5 of Resolution No. 967 is hereby amended as follows, with deletions shown as stricken text and additions double underlined:

Section 5. Form of Bonds. The Bonds[, other than Qualified School Construction Bonds,] shall be in substantially the following form:

**WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT  
PROGRAM**

*Payment of principal of and interest on this bond, when due, is guaranteed by the full faith, credit and taxing power of the STATE OF WASHINGTON under the provisions of the Washington State School District Credit Enhancement Program.*

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

EVERETT SCHOOL DISTRICT NO. 2  
SNOHOMISH COUNTY

UNLIMITED TAX GENERAL OBLIGATION BOND, 2009 [TAXABLE]

INTEREST RATE:  
NO.:

MATURITY DATE:

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above[ and to pay interest thereon from \_\_\_\_\_, 2009, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above][, payable on \_\_\_\_\_, commencing on \_\_\_\_\_]. Principal of [and interest on] this bond are/is payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal [and interest] thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the District to DTC. The fiscal agency of the state of Washington is acting as the registrar, authenticating agent and paying agent for the bonds of this issue (the "Bond Registrar").

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest, redemption provisions and date of maturity, in the aggregate principal amount of [\$48,900,000], and is issued pursuant to Resolution No. 967 (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board") on August 25, 2009, to provide funds to construct, equip, acquire and make other capital improvements to facilities of the District as authorized by resolution of the Board and approved by the qualified electors of the District at a special election held therein on February 7, 2006. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Resolution.

The bonds of this issue are subject to redemption prior to their stated maturities as stated in the Purchase Contract, dated \_\_\_\_\_, between D.A. Davidson & Co., Seattle, Washington and the District (the "Purchase Contract").

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the state of Washington and resolutions duly adopted by the Board, including the Bond Resolution and Purchase Contract.

The bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The bonds of this issue are [designated as/not] "qualified tax-exempt obligations" under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The District hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the District without limitation as to rate or amount and in amounts sufficient, with other money legally available therefor, to pay the principal of and interest on the bonds of this issue 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 the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the state of Washington 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 issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF, Everett School District No. 2, Snohomish County, Washington has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and a facsimile of the seal of the District to be reproduced, imprinted or impressed hereon as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY,  
WASHINGTON

By \_\_\_\_\_ /s/ facsimile \_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_ /s/ facsimile \_\_\_\_\_  
Secretary, Board of Directors

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Everett School District No. 2, Snohomish County, Washington, Unlimited Tax General Obligation Bonds, 2009 [Taxable], of the District, dated \_\_\_\_\_, 2008.

WASHINGTON STATE FISCAL AGENCY as Bond Registrar

By \_\_\_\_\_  
Authorized Signer

[The form of Qualified School Construction Bonds and strip certificates related thereto shall be as set forth in the Paying Agent Agreement.]

Section 4. Section 13 of Resolution No. 967 is hereby amended as follows, with deletions shown as stricken text and additions double underlined:

Section 13. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the District's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The District agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2010 for the fiscal year ended August 31, 2009):

1. Annual financial statements, which statements maybe or may not be audited, showing ending fund balances for the District's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Superintendent of Public Instruction and the Washington State Auditor under RCW 28A.505.020, RCW 28A.505.090, RCW 28A.505.140 and RCW 43.09.200 (or any successor statutes) and generally of the type included in the official statement for the Bonds under the headings "Statement of Revenues, Expenditures and Changes in General Fund Balance" and "Statement of Revenues, Expenditures and Changes in General Fund Balance";

2. The assessed valuation of taxable property in the District;

3. Ad valorem taxes due and percentage of taxes collected;

4. Property tax levy rates per \$1,000 of assessed valuation;

and

5. Outstanding general obligation debt of the District.

The information and data described above shall be provided on or before nine months after the end of the District's fiscal year. The District may adjust such date if the District changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. In lieu of providing such annual financial information and operating data, the District may cross-reference to other documents available to the public on the MSRB's internet website and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the District shall provide the District's audited annual financial statement prepared in accordance with regulations prescribed by the Superintendent of Public Instruction and the State Auditor pursuant to RCW 28A.505.020, RCW 28A.505.090, RCW 28A.505.140 and RCW 43.09.200 (or any successor statutes), when and if available, to the MSRB.

(c) *Material Events.* The District agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;



- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- Modifications to rights of owners;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Bonds; and
- Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the District advises that there is no property securing repayment of the Bonds, and there is no debt service reserve fund or account for the Bonds, as the District lacks legal authority for either measure. If further changes in the law permit such measures, and if the District subsequently chooses to establish such reserves or provide such property as security for the Bonds, the District will provide notice of such establishment or provision and undertake to provide notices of material events relating thereto, should such events occur.

(d) *Notification Upon Failure to Provide Financial Data.* The District agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The District's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the District (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this resolution, the District may amend this Section 12 and any provision of this Section 12 may be waived with an approving opinion of nationally recognized bond counsel.

In the event of any amendment of or waiver of a provision of this Section 12, the District shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the

accounting principles to be followed in preparing financial statements, (I) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (II) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if practical, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* A Bond owner's right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the District's obligations hereunder, and any failure by the District to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under this resolution. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding the Bonds through nominees or depositories.

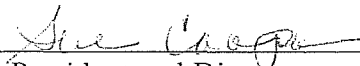
(h) *No Default.* The District is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its bond obligations.

[(g) *Notice of Final Expenditure of Qualified School Construction Bonds.* The District agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of the final expenditure of bond proceeds for any Qualified School Construction Bonds.]

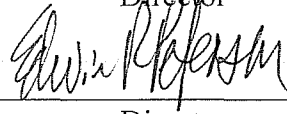
Section 5.    Ratification and Effective Date.    As amended by this amendatory resolution, Resolution No. 967 is hereby ratified, approved and confirmed. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Everett School District No. 2, Snohomish County, Washington, at a regular meeting thereof held this 6th day of October, 2009.

EVERETT SCHOOL DISTRICT NO. 2,  
SNOHOMISH COUNTY, WASHINGTON

  
\_\_\_\_\_  
President and Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

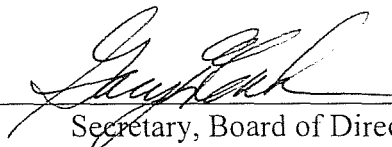
## CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Everett School District No. 2, Snohomish County, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 969 of the Board (the "Bond Resolution"), duly adopted at a regular meeting thereof held on October 6, 2009.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of said Bond Resolution; that all other requirements and proceedings incident to the proper adoption of said Bond Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, 2009.

  
Secretary, Board of Directors