

EVERETT SCHOOL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2003

RESOLUTION NO. 772

A Resolution of the Board of Directors of Everett School District No. 2, Snohomish County, Washington, providing for the issuance and sale of general obligation refunding bonds of the District in the aggregate principal amount of \$20,755,000, for the purpose of providing the funds necessary to refund certain of the outstanding unlimited tax general obligation bonds of the District; providing and authorizing the purchase of certain obligations with the proceeds of the sale of such refunding bonds and for the use and application of the moneys to be derived from such investments; providing for the redemption of the outstanding bonds to be refunded; providing the date, form, terms and maturities of said refunding bonds and for unlimited tax levies to pay the principal thereof and interest thereon; and approving the sale of such bonds.

APPROVED ON JULY 8, 2003

PREPARED BY:

PRESTON GATES & ELLIS LLP
Seattle, Washington

TABLE OF CONTENTS*

	Page
Recitals.....	1
Section 1. Definitions.....	4
Section 2. Authorization of Bonds.....	7
Section 3. Registration, Exchange and Payments.....	8
Section 4. Redemption and Purchase of Bonds.....	12
Section 5. Form of Bonds.....	13
Section 6. Execution of Bonds.....	15
Section 7. Lost or Destroyed Bonds.....	16
Section 8. Refunding Plan; Application of Bond Proceeds.....	16
Section 9. Pledge of Taxes and Credit.....	19
Section 10. Defeasance.....	19
Section 11. Tax Covenant.....	20
Section 12. Sale of the Bonds.....	21
Section 13. Official Statement.....	22
Section 14. Undertaking to Provide Ongoing Disclosure.....	22
Section 15. Credit Enhancement Program.....	26
Section 16. General Authorization and Ratification.....	27
Section 17. Severability.....	27
Section 18. Effective Date.....	28

Exhibit A – Form of Escrow Deposit Agreement

* This Table of Contents is not a part of the following resolution.

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WHEREAS, Everett School District No. 2, Snohomish County, Washington (the "District") has outstanding its Unlimited Tax General Obligation and Refunding Bonds, Series 1993, issued under date of February 1, 1993 pursuant to Resolution No. 491 adopted by the Board of Directors (the "Board") of the District on January 15, 1993 (the "1993 Bonds"); and

WHEREAS, the District refunded certain maturities of the 1993 Bonds as of February 26, 1998 so that the 1993 Bonds remain outstanding as follows:

Maturity Years (December 1)	Principal Amounts	Interest Rates
2003	\$ 2,070,000	5.55%
2004	190,000	5.75
2005	2,215,000	5.85
2006	2,465,000	6.00
2007	2,560,000	6.00
2008	2,700,000	6.10
2009	1,740,000	6.20

; and

WHEREAS, Resolution No. 491 provides that the District may call the 1993 Bonds maturing on and after December 1, 2004 (the "Refunded 1993 Bonds") for redemption on and after December 1, 2003, in whole at any time, or in part on any interest payment date, at the

redemption prices set forth below, expressed as a percentage of the principal amount to be redeemed, plus accrued interest, if any, to the date of redemption.

Redemption Dates (inclusive)	Redemption Prices
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101
December 1, 2005 and thereafter	100

; and

WHEREAS, the District has outstanding its Unlimited Tax General Obligation Refunding Bonds, Series 1993B issued under date of June 1, 1993 pursuant to Resolution No. 506 of the District adopted by the Board on June 14, 1993, maturing in principal amounts and bearing interest as follows:

Maturity Dates (December 1)	Principal Amounts	Interest Rates
2003	\$ 560,000	5.10%
2004	810,000	5.20
2005	850,000	5.30
2006	1,095,000	5.40
2007	1,485,000	5.45
2008	1,195,000	5.50
2010	4,645,000	5.25

(the "1993B Bonds"); and

WHEREAS, Resolution No. 506 provides that the District may call the ~~1993B Bonds~~ maturing on and after December 1, 2004 (the "Refunded 1993B Bonds") for redemption on and after December 1, 2003, in whole at any time, or in part on any interest payment date, at the redemption prices set forth below, expressed as a percentage of the principal amount to be redeemed, plus accrued interest, if any, to the date of redemption.

Redemption Dates (inclusive)	Redemption Prices
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101
December 1, 2005 and thereafter	100

; and

WHEREAS, as a result of changed market conditions, it appears to the Board that a substantial debt service savings may be obtained by refunding the 1993 Refunded Bonds and the 1993B Refunded Bonds (collectively, the "Refunded Bonds") through the issuance of unlimited tax general obligation refunding bonds in an aggregate principal amount of \$20,755,000 herein authorized (hereinafter defined as the "Bonds"); and

WHEREAS, in order to effect such refunding in the most economical manner it is deemed necessary and advisable that the proceeds of the sale of the Bonds and, if necessary, other moneys available and required for refunding purposes be invested in obligations maturing in such amounts and of such times as are required to pay the interest on the Refunded Bonds as the same become due, and to redeem and retire the Refunded Bonds on the first date on which each series of Refunded Bonds may be called for redemption prior to their respective scheduled maturities; and

WHEREAS, the District has received an offer to purchase the Bonds from Banc of America Securities LLC and Citigroup Global Markets Inc., which offer this Board finds acceptable;

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 words shall have the following meanings:

Acquired Obligations means the Government Obligations acquired by the District under the terms of this resolution and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

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 the registration records for the Bonds maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the State of Washington in New York, New York, whose duties include registering and authenticating the Bonds, maintaining the Bond Register, transferring ownership of the Bonds, and paying the principal of and interest on the Bonds.

Bonds mean the \$20,755,000 principal amount of Everett School District No. 2, Snohomish County, Washington Unlimited Tax General Obligation Refunding Bonds, 2003 issued pursuant to this resolution.

Code means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department of the Internal Revenue Service, to the extent applicable to the Bonds.

Commission means the Securities and Exchange Commission.

Credit Enhancement Program means the program for enhancing the credit of voter-approved school district general obligation bonds established by Senate Joint Resolution 8206 of the 1999 State Legislature, codified as RCW Ch. 39.98.

Debt Service Fund means the special fund of the District of that name created in the office of the Treasurer pursuant to RCW 28A.320.330.

District means Everett School District No. 2, Snohomish County, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

DTC means The Depository Trust Company of New York, New York, as depository for the Bonds, or any successor depository for the Bonds.

Escrow Agent means The Bank of New York, New York, New York.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing of the Bonds and substantially in the form attached as Exhibit A hereto.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW, as such chapter may be hereafter amended or restated.

Letter of Representations means the Blanket Letter of Representations from the District to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

1993 Bonds means the Unlimited Tax General Obligation and Refunding Bonds, Series 1993 of the District, issued under date of February 1, 1993 pursuant to Resolution No. 491 adopted by the Board on January 15, 1993, and presently outstanding in the principal amount of \$13,940,000.

1993B Bonds means the Unlimited Tax General Obligation Refunding Bonds, Series 1993B of the District, issued under date of June 1, 1993 pursuant to Resolution No. 506 adopted by the Board on June 14, 1993, and presently outstanding in the principal amount of \$10,640,000.

1993 Refunded Bonds means the 1993 Bonds maturing on and after December 1, 2004.

1993B Refunded Bonds means the 1993B Bonds on and after maturing on December 1, 2004.

NRMSIR means a nationally recognized municipal securities information repository.

Purchase Contract means the bond purchase agreement between the District and the Underwriters provided for in Section 12 of this resolution.

Refunded Bonds means collectively the 1993 Refunded Bonds and the 1993B Refunded Bonds.

Registered Owner means the person in whose name a Bond is registered on the Bond Register. For so long as District utilizes the book-entry system for the Bonds, DTC shall be deemed to be the Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as amended from time to time.

SID means a state information depository for the State of Washington (if one is created).

State Treasurer means the Treasurer of the State of Washington, or any successor to the functions thereof.

Treasurer means the Snohomish County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

Underwriters means Banc of America Securities LLC, Seattle, Washington and Citigroup Global Markets Inc., Seattle, Washington.

Section 2. Authorization of Bonds. For the purpose of providing for the refunding of the Refunded Bonds and thereby effecting a substantial savings to the District and its taxpayers, the District shall now issue and sell unlimited tax general obligation refunding bonds in the aggregate principal amount of \$20,755,000 (the "Bonds"). The Bonds shall be dated as of September 2, 2003, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall bear interest from their date payable on June 1, 2004, and semiannually thereafter on the first days of each December and June. The Bonds shall mature in the following years and in the following amounts, bearing interest at the following rates:

<u>Maturity Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
12/01/2004	\$ 775,000	2.00%
06/01/2005	3,085,000	4.00
06/01/2006	3,540,000	4.00
12/01/2007	3,890,000	4.50
12/01/2008	3,680,000	4.50
12/01/2009	2,910,000	5.00
12/01/2010	2,875,000	5.00

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The District hereby requests that the Treasurer specify and adopt the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agency of the State of Washington in New York, New York, as registrar, authenticating agent, paying agent and transfer agent (the "Bond Registrar"). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds (the "Bond Register"), which shall be open to inspection by the District. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar, DTC, each NRMSIR and SID, if any, 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.

(b) *Registered Ownership.* The District and the Bond Registrar may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Subsection 3(h) hereof, but such registration may be transferred as herein provided. All such payments made as described in Subsection 3(h) shall be valid and shall satisfy the liability of the District upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the District shall execute and deliver to DTC a Blanket Issuer Letter of Representations (the "Letter of Representations").

Neither the District nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the District to the Bond Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds, or any consent given or other action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes, and all references in that resolution to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Bonds.

(d) *Use of Depository.*

(i) The Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by

the District pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the District to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the District may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the District, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the District.

(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the District determines that it is in the best interest of the beneficial owners of the Bonds that the Bonds be provided in certificated form, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The District shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds in certificated form, to issue Bonds in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the District to the Bond Registrar, new Bonds shall be issued in the

appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

(f) *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 member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Bonds.

(g) *Registration Covenant.* The District covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place 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 calculated based on a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing 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 such Bonds by the Registered Owners at the principal office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date to an account with a bank located within the United States.

Section 4. Redemption and Purchase of Bonds.

(a) *No Redemption.* The Bonds are not subject to redemption prior to their stated maturities.

(b) *Purchase of Bonds.* The District reserves the right to purchase any of the Bonds offered to the District at any time at a price deemed reasonable by the District.

Section 5. Form of Bonds. The 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 REFUNDING BOND, 2003

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

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 September 2, 2003, 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 June 1, 2004, and semiannually thereafter on the first days of each succeeding December and June. Both principal of and interest on this bond are 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. Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington in New York, New York (the "Bond Registrar").

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Resolution No. 772 of the District (the "Bond Resolution") until the Certificate of Authentication hereon shall have been manually signed by 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 and date of maturity in the aggregate principal amount of \$20,755,000, and is issued for the purpose of refunding certain outstanding general obligation bonds of the District.

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 of Directors.

The bonds of this issue are not subject to redemption prior to their scheduled maturities.

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 not "qualified tax-exempt obligations" under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The District has irrevocably covenanted 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 monies 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 authorizing their issuance.

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 or Secretary Pro Tem of its Board of Directors as of this 2nd day of September, 2003.

EVERETT SCHOOL DISTRICT NO. 2,
SNOHOMISH COUNTY, WASHINGTON

By _____ /s/ manual or facsimile
President, Board of Directors

ATTEST:

/s/ manual or facsimile
Secretary or Secretary Pro Tem, Board of Directors

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

DATE OF AUTHENTICATION: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Unlimited Tax General Obligation Refunding Bonds, 2003 of the District, dated September 2, 2003.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____
Authorized Signatory

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the District with the facsimile or manual signatures of the President and Secretary or Secretary Pro Tem of its Board. In case either or both of the officers who have signed or attested any of the Bonds cease to be such officer before such Bonds have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such Bonds had not ceased to be such officers, and any Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the District.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 5, 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 and are entitled to the benefits of this resolution.

Section 7. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner's paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond or Bonds and upon his or her filing with the Bond Registrar and the District evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the District and the Bond Registrar with indemnity satisfactory to both.

Section 8. Refunding Plan; Application of Bond Proceeds.

(a) *Refunding Plan.* For the purpose of realizing a debt service savings and benefiting the taxpayers of the District, the Board proposes to issue refunding bonds for the purpose of providing for the payment of the principal of and interest on and the redemption price (or principal due at maturity) of the following outstanding bonds of the District.

The 1993 Refunded Bonds shall be called for redemption at 102% of par on December 1, 2003 and the 1993B Refunded Bonds shall be called for redemption at 102% of par on December 1, 2003.

(b) *Refunding Account.* There is hereby authorized to be created in the Debt Service Fund an account known as the "Refunding Account" which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds until their date of redemption and of paying costs related to the refunding of the Refunded Bonds.

The proceeds of sale of the Bonds (exclusive of accrued interest thereon, which shall be paid into the Debt Service Fund and used to pay interest on the Bonds on June 1, 2004) shall be credited to the Refunding Account.

Money in the Refunding Account shall be used immediately upon receipt to defease the Refunded Bonds as authorized by the resolutions authorizing the issuance of the Refunded Bonds and to pay costs of issuance. The District shall defease the Refunded Bonds and discharge such obligations by the use of money in the Refunding Account to purchase certain Government Obligations (which obligations so purchased, are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of the redemption price of the 1993 Refunded Bonds (102% of the principal amount thereof) on December 1, 2003 and the redemption price of the 1993B Refunded Bonds (102% of the principal amount thereof) on December 1, 2003.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* The District hereby appoints the corporate trust department of The Bank of New York, New York, New York, as the Escrow Agent for the Refunded Bonds (the "Escrow Agent"). A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary

beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bonds.

In order to carry out the purposes of this section, the President or the Secretary or Secretary Pro Tem of the Board are authorized and directed to execute and deliver to the Escrow Agent, an Escrow Deposit Agreement, substantially in the form attached hereto as Exhibit A.

(d) *Call for Redemption of Refunded Bonds.* The District hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunded Bonds to make the payments described in Subsections (a) and (b) of this Section.

The District hereby irrevocably calls the 1993 Refunded Bonds and the 1993B Refunded Bonds for redemption on December 1, 2003 in accordance with the provisions of Resolution No. 491 and Resolution No. 506, authorizing the issuance and/or redemption of the Refunded Bonds, respectively.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of Resolution No. 491 and Resolution No. 506, authorizing the issuance of the Refunded Bonds, respectively. The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notices therefor. The costs of publication of such notices shall be an expense of the District.

The District will take such actions as are found necessary to ensure that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 9. Pledge of Taxes and Credit. The District hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the District subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due and will pay the same into the Debt Service Fund. 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.

Section 10. Defeasance. In the event that money and/or Government Obligations maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the District to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Within 60 days of any defeasance of bonds the Bond Registrar shall provide notice of defeasance of Bonds to Registered Owners and to each NRMSIR and SID, if any, in accordance with Section 14.

Section 11. Tax Covenant.

(a) *Arbitrage Covenant.* The District hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the District which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section. The District will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The District covenants that for as long as the Bonds are outstanding, it will not permit:

(i) More than 10% of the Net Proceeds of the Bonds to be allocated to any Private Person Use; and

(ii) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the District) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The District further covenants that, if:

(iii) More than five percent of the Net Proceeds of the Bonds are allocable to any Private Person Use; and

(iv) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private

Person Use, or (B) derived from payments (whether or not made to the District) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (1) any Private Person Use of the projects described in subsection (iii) hereof or Private Person Use payments described in subsection (iv) hereof that is in excess of the five percent limitations described in such subsections (iii) or (iv) will be for a Private Person Use that is related to the state or local governmental use of the projects financed or refinanced with Bond proceeds, and (2) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the projects to which the Private Person Use of such portion of such projects relates. The District further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *No Designation under Section 265(b).* The Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions.

Section 12. Sale of the Bonds. The Board finds that the Purchase Contract that has been distributed to the Board is reasonable and that it is in the best interest of the District that the Bonds shall be sold upon the conditions set forth in the Purchase Contract. The District accepts the Purchase Contract and authorizes the President or Secretary of the Board of Directors or the Associate Superintendent, Finance and Operations to execute the Purchase Contract and deliver it to the Underwriters. The Bonds shall be issued and delivered to the Underwriters upon payment of the purchase price specified in the Purchase Contract.

The proper officials of the District are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to the purchaser at such sale and for the proper application and use of the proceeds of sale thereof.

Section 13. Official Statement. The District approves the preliminary Official Statement presented to this Board and authorizes the Underwriters' distribution of the preliminary Official Statement in connection with the offering of the Bonds. Pursuant to the Rule, the District deems the preliminary Official Statement dated June 27, 2003 as final as of its date except for the omission of information dependent upon the pricing of the Bonds and the completion of the Purchase Contract. The District agrees to cooperate with the Underwriters to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters, copies of a final Official Statement in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the MSRB. The District authorizes the Underwriters to use the Official Statement, substantially in the form of the preliminary Official Statement, in connection with the sale of the Bonds. The Secretary of the Board and/or the Associate Superintendent, Finance and Operations are hereby authorized to review and approve on behalf of the District the final Official Statement relative to the Bonds with such additions and changes as may be deemed necessary or advisable.

Section 14. 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 each NRMSIR and to the SID, if any, in each case as designated by the

SEC in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2004 for the fiscal year ended August 31, 2003):

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

2. The assessed valuation of taxable property in the District;
3. Ad valorem taxes due and percentage of taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the District.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

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's current fiscal year ends August 31. The District may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the District may cross-reference to other documents provided to the NRMSIR, the SID or to the SEC 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 the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200, 28A.505.140, 28A.505.010, and 28A.505.020 (or any successor statute) when and if available to each then existing NRMSIR and the SID, if any.

(c) *Material Events.* The District agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or 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 the rights of Bond owners;
- Bond calls (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 repayment of the Bonds; and
- Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the District advises that no debt service reserves, credit enhancement or property secures payment of the Bonds.

(d) *Notification Upon Failure to Provide Financial Data.* The District agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, 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) *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. Any provision of this section shall be null and void if the District (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies each NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

Notwithstanding any other provision of this resolution, the District may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the District shall describe such amendment in the next annual report, and shall include, a narrative explanation of the reason for the amendment 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 shall present a comparison (in narrative form and also, if feasible, 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.

(f) *Bond Owner's Remedies Under This Section.* The right of any bondowner or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the District's obligations under this section, 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. 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 Bonds through nominees or depositories.

(g) *State of Washington as Obligated Party.* In accordance with the Rule, the State of Washington is also an obligated party with respect to the Bonds and will provide the information described in Appendix D of the preliminary and final Official Statement under the heading "State of Washington — Continuing Disclosure".

(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.

Section 15. Credit Enhancement Program. The Board of Directors by Resolution No. 767 has requested that the State Treasurer issue a certificate of eligibility in favor of the district for participation by the District in the Credit Enhancement Program with respect to the

Bonds, and has authorized and directed the Superintendent and/or Associate Superintendent, Finance and Operations to submit such applications, resolutions and certifications as shall be required by the State Treasurer in review of the District's request for participation. The State Treasurer has issued a certificate of eligibility in favor of the District for participation by the District in the Credit Enhancement Program with respect to the Bonds.

Section 16. General Authorization and Ratification. The President and Secretary or Secretary Pro Tem of the Board of Directors and other appropriate officers of the District are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

Section 17. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 18. Effective Date. 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 8th day of July, 2003.

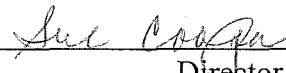
EVERETT SCHOOL DISTRICT NO. 2,
SNOHOMISH COUNTY, WASHINGTON



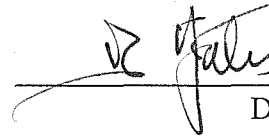
President and Director



Director



Director

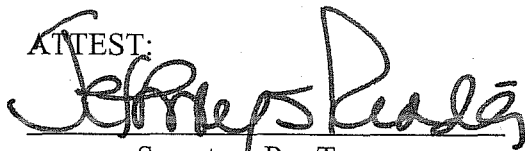


Director



Director

ATTEST:



Secretary Pro Tem,
Board of Directors

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

**EVERETT SCHOOL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2003**

THIS ESCROW AGREEMENT, dated as of September 2, 2003 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON (herein called the "District") and The Bank of New York, New York, New York as Escrow Agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the District, the District Treasurer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the District has issued and there presently remain outstanding the obligations described in Exhibit B (the "Refunded Bonds"); and

WHEREAS, pursuant to Resolution No. 772 adopted on July 8, 2003 (the "Bond Resolution"), the District has determined to issue its Unlimited Tax General Obligation Refunding Bonds, 2003 (the "Refunding Bonds"). A portion of the Refunding Bonds are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, the Escrow Agent has reviewed this Agreement and the Bond Resolution, and is willing to serve as Escrow Agent; and

WHEREAS, pursuant to the Bond Resolution, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunding Bonds when due as shown on Exhibit C; and

WHEREAS, the District desires that, concurrently with the delivery of the Refunding Bonds to the purchasers, the proceeds of the Refunding Bonds, together with certain other available funds of the District, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as (the "Escrowed Securities") for deposit to the credit of the Escrow Fund and to establish a beginning cash balance (if needed) in the Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Bonds as it accrues and becomes payable and the principal of the Refunded Bonds as it becomes due and payable; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the District desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is a party to this Agreement to acknowledge its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the District and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

District Treasurer means the Snohomish County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

Escrow Fund means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Escrowed Securities means the noncallable Government Obligations described in Exhibit D, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series,

(c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

Paying Agent means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

Section 1.2. Other Definitions.

The terms "Agreement," "Bond Resolution," "Defeased Bonds," "District," "Escrow Agent," "Refunded Bonds," and "Refunding Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Escrow Fund.

Concurrently with the sale and delivery of the Refunding Bonds the District shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds sufficient to purchase the Escrowed Securities and pay costs of issuance described in Exhibit D, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the District in writing.

Article 3. Creation and Operation of Escrow Fund

Section 3.1. Escrow Fund.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the "Escrow Fund"). The Escrow Agent agrees that upon receipt it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D. Such deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and

interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the District, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C.

Section 3.3. Sufficiency of Escrow Fund.

The District represents that, based upon the information provided by Banc of America Securities LLC, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2., the District shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the District's failure to make additional deposits.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the District, and the Escrow Agent shall have no right to title with respect thereto except as a Agent and Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2. Substitution of Securities.

At the written request of the District, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the District in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The District hereby irrevocably calls the Refunded Bonds (other than the Defeased Bonds) for redemption on their earliest redemption dates, as shown on Appendix A attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolution Nos. 491 and 506, respectively, of the Board of Directors of the District and in substantially the forms attached as and as described in Appendices A-1 through B-2 to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the District a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the District promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the District and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the District thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the District with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the District or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the District at any time.

Section 8.3. Compensation.

The District shall pay to the Escrow Agent fees for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement pursuant to the terms of the Fee Schedule attached as Appendix C. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 8.4. Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the District, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the District within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the District, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate

trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the District and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the District shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the District, the District Treasurer or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the District, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the District and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the District, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's and Standard & Poor's

In the event that this agreement or any provision thereof is severed, amended or revoked, the District shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 99 Church Street, New York, New York, 10007, Attention: Public Finance Rating Desk/ Refunded Bonds and to Standard and Poor's Ratings Services, a Division of The McGraw Hill Companies, 55 Water Street, New York, NY, 10041, Attention: Public Finance Rating Desk/Refunded Bonds.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

**EVERETT SCHOOL DISTRICT NO. 2,
SNOHOMISH COUNTY, WASHINGTON**



Secretary Pro Tem, Board of Directors

**THE BANK OF NEW YORK, NEW YORK,
NEW YORK**

Authorized Signatory

- | | | |
|--------------|---|--|
| Exhibit A | - | Addresses of the District, the District Treasurer and the Escrow Agent |
| Exhibit B | - | Descriptions of the Refunded Bonds |
| Exhibit C | - | Schedule of Debt Service on Refunded Bonds |
| Exhibit D | - | Description of Beginning Cash Deposit and Escrowed Securities |
| Exhibit E | - | Escrow Fund Cash Flow |
| Appendix A-1 | - | Notice of Redemption for the 1993 Bonds |
| Appendix A-2 | - | Notice of Redemption for the 1993B Bonds |
| Appendix B-1 | - | Notice of Defeasance for the 1993 Bonds |
| Appendix B-2 | - | Notice of Defeasance for the 1993B Bonds |
| Appendix C | - | Fee Schedule |

EXHIBIT A
Addresses of the District, the District Treasurer and Escrow Agent

District: Everett School District No. 2
4730 Colby Ave.
P.O. Box 2098
Everett, WA 98203-0098
Attention: Associate Superintendent, Finance and Operations

District Treasurer: Snohomish County Treasurer
3000 Rockefeller Avenue
MS 501
Everett, WA 98201
Attention: Treasurer

Escrow Agent: The Bank of New York
Corporate Trust Department Fiscal Agencies Unit
101 Barclay Street, 21st Floor
New York, NY 10286
Attention: Assistant Treasurer

EXHIBIT B
Description of the Refunded Bonds

Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation and Refunding Bonds, Series 1993
("1993 Bonds")

Maturity Years (December 1)	Principal Amounts	Interest Rates
2004	\$ 190,000	5.75%
2005	2,215,000	5.85
2006	2,465,000	6.00
2007	2,560,000	6.00
2008	2,700,000	6.10
2009	1,740,000	6.20

Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation Refunding Bonds, Series 1993B
("1993B Bonds")

Maturity Dates (December 1)	Principal Amounts	Interest Rates
2004	\$ 810,000	5.20%
2005	850,000	5.30
2006	1,095,000	5.40
2007	1,485,000	5.45
2008	1,195,000	5.50
2010	4,645,000	5.25

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

<u>Date</u>	<u>Principal/ Redemption Price</u>	<u>Total</u>
12/01/2003	\$ <u>22,389,000.00</u>	\$ <u>22,389,000.00</u>
TOTAL:	\$ <u>22,389,000.00</u>	\$ <u>22,389,000.00</u>

EXHIBIT D
Escrow Deposit

I. Cash \$0.82

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
SLG-Cert.	12/01/2003	<u>\$ 22,343,945</u>	0.820%	<u>\$ 22,343,945.00</u>
		\$ 22,343,945		\$ 22,343,945.00

III. Costs of Issuance

Escrow Agent Fee	\$ 400.00
Bond Counsel Fee	31,000.00
S&P Rating Fee	9,000.00
Moody's Rating Agency Fee	<u>7,500.00</u>
Total:	<u>\$ 47,900.00</u>

EXHIBIT E
Escrow Fund Cash Flow

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>
09/02/2003	--	\$ 0.82	\$ 0.82	\$ 0.82
12/01/2003	\$ <u>22,389,000.00</u>	<u>22,388,999.18</u>	(0.82)	0.00
	\$ <u>22,389,000.00</u>	\$ <u>22,389,000.00</u>	\$ <u>0.00</u>	

APPENDIX A-1

Notice of Redemption*
Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation and Refunding Bonds, Series 1993

NOTICE IS HEREBY GIVEN that the Everett School District No. 2, Snohomish County, Washington has called for redemption on December 1, 2003, its then outstanding Unlimited Tax General Obligation and Refunding Bonds, Series 1993 (the "1993 Bonds").

The Bonds will be redeemed at a price of one hundred percent (102%) of their principal amount, plus interest accrued to December 1, 2003. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York
Fiscal Agency Department
Ground Floor
101 Barclay Street
7 East
New York, NY 10286

-or-

Wells Fargo Bank, National
Association
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 2003.

The following Bonds are being redeemed:

Maturity Years (December 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2004	\$ 190,000	5.75%	833119QT0
2005	2,215,000	5.85	833119QU7
2006	2,465,000	6.00	833119QV5
2007	2,560,000	6.00	833119QW3
2008	2,700,000	6.10	833119QX1
2009	1,740,000	6.20	833119QY9

By Order of Everett School District No. 2, Snohomish County, Washington

* This notice shall be given not more than 60 nor less than 30 days prior to December 1, 2003 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least 30 days prior to December 1, 2003 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation, Seattle, Washington; Banc of America Securities LLC, Seattle, Washington; MBIA Insurance, Armonk, New York; Moody's Investors Service and Standard & Poor's Ratings Services.

The Bank of New York, as Paying Agent

Dated: _____.

Under the Interest and Dividend Tax Compliance Act of 1983, payor may be required to withhold 30% of the redemption price from any Bondowner who fails to provide to payor and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Bondowners who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

APPENDIX A-2

Notice of Redemption*
Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation Refunding Bonds, Series 1993B

NOTICE IS HEREBY GIVEN that the Everett School District No. 2, Snohomish County, Washington has called for redemption on December 1, 2003, its then outstanding Unlimited Tax General Obligation Refunding Bonds, Series 1993B (the "1993B Bonds").

The Bonds will be redeemed at a price of one hundred percent (102%) of their principal amount, plus interest accrued to December 1, 2003. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York
Fiscal Agency Department
Ground Floor
101 Barclay Street
7 East
New York, NY 10286

-or-

Wells Fargo Bank, National
Association
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 2003.

The following Bonds are being redeemed:

Maturity Years (December 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2004	\$ 810,000	5.20%	833119NJ5
2005	850,000	5.30	833119NK2
2006	1,095,000	5.40	833119NL0
2007	1,485,000	5.45	833119NM8
2008	1,195,000	5.50	833119NN6
2010	4,645,000	5.25	833119NQ9

* This notice shall be given not more than 60 nor less than 30 days prior to December 1, 2003 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least 30 days prior to December 1, 2003 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation, Seattle, Washington; Banc of America Securities LLC, Seattle, Washington; Financial Guaranty Insurance Company, New York, New York; Moody's Investors Service and Standard & Poor's Ratings Services.

By Order of Everett School District No. 2, Snohomish County, Washington

The Bank of New York, as Paying Agent

Dated: _____.

Under the Interest and Dividend Tax Compliance Act of 1983, payor may be required to withhold 30% of the redemption price from any Bondowner who fails to provide to payor and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Bondowners who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

APPENDIX B-1

Notice of Defeasance*

Everett School District No. 2, Snohomish County, Washington Unlimited Tax General Obligation and Refunding Bonds, Series 1993

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated September 2, 2003, by and between the Everett School District No. 2, Snohomish County, Washington (the "District") and The Bank of New York, New York, New York, (the "Escrow Agent"), the District has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 491 of the District, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Unlimited Tax General Obligation and Refunding Bonds, Series 1993 (Dated February 1, 1993)

Original CUSIP Nos.	Maturity Date	Interest Rate	Par Amount Defeased	Call Date (At 102%)
833119QT0	12/01/2004	5.75%	\$ 190,000	12/01/2003
833119QU7	12/01/2005	5.85	2,215,000	12/01/2003
833119QV5	12/01/2006	6.00	2,465,000	12/01/2003
833119QW3	12/01/2007	6.00	2,560,000	12/01/2003
833119QX1	12/01/2008	6.10	2,700,000	12/01/2003
833119QY9	12/01/2009	6.20	1,740,000	12/01/2003

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$ _____. All of which has been defeased as described above.

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; The Bank of New York, as Fiscal Agent; Moody's Investors Service, New York, New York; and Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc., New York, New York, to the MSRB and to the NRMSIRs.

APPENDIX B-2

Notice of Defeasance*

Everett School District No. 2, Snohomish County, Washington Unlimited Tax General Obligation Refunding Bonds, Series 1993B

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated September 2, 2003, by and between the Everett School District No. 2, Snohomish County, Washington (the "District") and The Bank of New York, New York, New York (the "Escrow Agent"), the District has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 506 of the District, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Unlimited Tax General Obligation Refunding Bonds, Series 1993B (Dated June 1, 1993)

Original CUSIP Nos.	Maturity Date	Interest Rate	Par Amount Defeased	Call Date (At 102%)
833119NJ5	12/01/2004	5.20%	\$ 810,000	12/01/2003
833119NK2	12/01/2005	5.30	850,000	12/01/2003
833119NL0	12/01/2006	5.40	1,095,000	12/01/2003
833119NM8	12/01/2007	5.45	1,485,000	12/01/2003
833119NN6	12/01/2008	5.50	1,195,000	12/01/2003
833119NQ9	12/01/2010	5.25	4,645,000	12/01/2003

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$ _____. All of which has been defeased as described above.

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; The Bank of New York, as Fiscal Agent; Moody's Investors Service, New York, New York; and Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc., New York, New York, to the MSRB and to the NRMSIRs.

APPENDIX C

Fee Schedule

Escrow Agent Fee: \$400.00

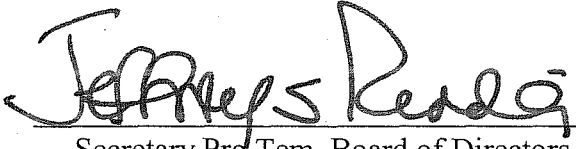
CERTIFICATE

I, the undersigned, Secretary Pro Tem 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 (herein called the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 772 of the Board (herein called the "Resolution"), duly passed at a regular meeting thereof held on the 8th day of July, 2003.

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 passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said 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 8th day of July, 2003.


Secretary Pro Tem, Board of Directors