

EVERETT SCHOOL DISTRICT NO. 2

SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 350

A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, PROVIDING FOR THE TERMS OF THE DISTRICT'S UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1986-B; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT WITH DAIN BOSWORTH INCORPORATED INCLUDING APPROVING THE MATURITIES AND INTEREST RATES OF SAID BONDS; AND APPROVAL OF OFFICIAL STATEMENT.

WHEREAS, the District has authorized the issuance of Everett School District No. 2, Snohomish County, Washington, Unlimited Tax General Obligation Bonds, Series 1986-B (the "Bonds") in the aggregate principal amount of \$9,310,000 pursuant to Resolution No. 349 adopted on June 16, 1986 (the "Bond Resolution"); and

WHEREAS, Dain Bosworth Incorporated acting as manager on behalf of a group of purchasers (hereinafter referred to collectively as the "Purchasers") has made an offer to purchase the Bonds; and

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

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

Section 1. Sale of Bonds. The Bonds in the aggregate principal amount of \$9,310,000 are hereby authorized to be issued, sold and delivered in accordance with the provisions of the Bond Resolution and this Resolution.

Section 2. Terms of Bonds. Pursuant to Section 2 of the Bond Resolution and after consultation with the Underwriter and the Financial Advisor as said terms are defined in the Bond Resolution, it is hereby determined that the Bonds shall bear interest from July 1, 1986, until payment of the principal amount thereof payable on the first day of June, 1987, and semiannually on the first days of each December and June thereafter, and shall mature on June 1 and December 1 in years and amounts as follows:

<u>Due</u>	<u>June 1 Amount</u>	<u>December 1 Amount</u>
1996	\$ 0	\$ 520,000
1997	\$ 145,000	\$1,165,000
1998	\$ 65,000	\$1,300,000
1999	\$1,650,000	\$ 590,000
2000	\$1,905,000	\$1,970,000

The District reserves the right to redeem the outstanding Bonds of this issue in multiples of \$5,000 maturing on and after December 1, 1996, in whole, or in part in inverse chronological order of maturity and by lot within a maturity, on June 1, 1996, or on any interest payment date thereafter at par plus accrued interest to the date of redemption. Notice of any intended redemption will be given by registered or certified

mail to the Registered Owners of the Bonds to be redeemed at their addresses as they appear on the bond register. Such mailing will be made not less than 30 nor more than 60 days prior to the redemption date.

The above terms shall be incorporated into the form of Bonds set forth in Section 3 of the Bond Resolution.

Section 3. Acceptance of Offer of Dain Bosworth Incorporated. The offer of the Purchasers to purchase all the Bonds to be issued pursuant to Resolution No. 349 which offer has been made by means of and subject to the terms and conditions of the Bond Purchase Contract dated June 25, 1986 attached hereto as Exhibit A (the "Purchase Contract") is hereby accepted and approved by the Board. The Superintendent is authorized to execute and deliver such Purchase Contract on behalf of the District.

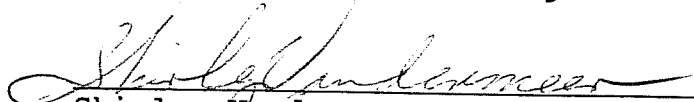
Section 4. Approval of Official Statement. The Board of Directors hereby authorizes the distribution of an Official Statement by Dain Bosworth Incorporated in connection with the bond offering, subject to the proviso that such Official Statement shall be in the form of the Preliminary Official Statement approved by the Board pursuant to Resolution No. 348 with such changes as may be necessary as determined by the Secretary of the Board of Directors after consultation with the District's Financial Advisor and bond counsel.

Section 5. Authorization of Future Acts. The Secretary of the Board of Directors is hereby authorized and directed to deliver a certified copy of this Resolution and the executed Purchase Contract to the office of the Treasurer of Snohomish County, as ex officio Treasurer of the District. The Board of Directors authorizes and directs all proper agents, attorneys and employees of the District to carry out or cause to be carried out all obligations of the District under the Purchase Contract and to perform such other acts as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Bonds.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED by the Board of Directors of Everett School District No. 2, Snohomish County, Washington, at a special, open public meeting thereof, notice of which was given as required by law, held this 25th day of June, 1986.

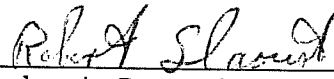
EVERETT SCHOOL DISTRICT NO. 2
Snohomish County, Washington


Shirley Vandermeer, President

Sue Cooper, Vice President


Earl Dutton, Member

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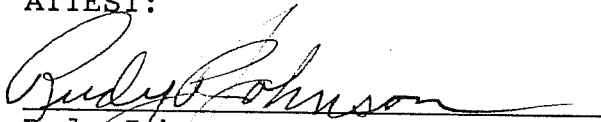


Robert Daoust, Member



Charles Betts, Member

ATTEST:



Rudy Johnson, Secretary
Board of Directors

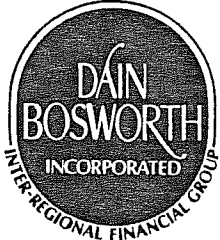


Exhibit A

EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1986-B
\$9,310,000

PURCHASE CONTRACT

June 25, 1986

Board of Directors
Everett School District
Everett, Washington

Dear Board Members:

Dain Bosworth Incorporated (the "Purchaser") offers to purchase from the Everett School District No. 2, Snohomish County, Washington (the "Seller"), and upon acceptance hereof the Seller will agree to sell to the Purchaser, all of the bonds described above and on Appendix A (attached and incorporated herein by this reference), subject to the terms, conditions, covenants, representations and warranties contained in this Purchase Contract, including the Appendices.

Section 1. Purchase, Sale and Delivery of the Bonds.

(a) Appendix A contains a brief description of the Bonds and the purchase price, interest rate or rates, maturity schedule, redemption provisions and the date and time of delivery and payment (the "Closing Date") of the Bonds. The Bonds shall be as described in Appendix A, and in an Official Statement approved and signed by the Seller in accordance with paragraph (b) hereof satisfactory in form and substance to the Purchaser.

(b) The Seller authorizes the Purchaser to use and distribute an Official Statement as approved in the resolution adopted as of this date accepting this Purchase Contract (the "Official Statement"), this Purchase Contract and all information contained in them, and the documents, and certificates formally delivered to the Purchaser by the Seller as a Bond issue legal transcript on the date of closing, in connection with the transactions contemplated by this Purchase Contract.

(c) The Bonds shall be delivered to the Purchaser in definitive or temporary form on the Closing Date, duly executed by the authorized officers of the Seller, together with the other documents described in this Purchase Contract. The Bonds shall be made available to the Seller not later than one business day before the Closing Date for the purposes of inspection and packaging. The Bonds shall be in registered form, in such denominations and registered in such names as the Purchaser shall request by written notice not later than four business days prior to the Closing Date. Subject to the provisions of this Purchase Contract, the Purchaser shall accept delivery of the Bonds on the Closing Date and will pay the purchase price set forth in Appendix A, together with accrued interest as applicable, by certified or official bank check, or wire transfer payable in Federal funds as designated by the Seller.

Section 2. Representations, Warranties and Agreements of the Seller.

The Seller represents, warrants and agrees with the Purchaser the matters set forth below; which representations, warranties and agreements are true and in effect as of the date of this Purchase Contract and shall be true and in effect as of the Closing Date:

(a) The Seller is a duly organized and existing public entity with the full legal right, power and authority to enter into and perform this Purchase Contract, to adopt the Bond Resolution authorizing issuance of the Bonds, and to deliver and sell the Bonds to the Purchaser, and to carry out all the other transactions contemplated by this Purchase Contract, the Resolution, and the Official Statement.

(b) The Seller has duly and validly adopted or will adopt the Bond Resolution before the Closing Date, will take any and all action as will be necessary to carry out, give effect to and consummate the transactions contemplated herein, and as of the date of this Purchase Contract and as of the Closing Date the Bond Resolution, the Bonds and this Purchase Contract will constitute the valid, legal and binding obligations of the Seller in accordance with their respective terms, and the Bond Resolution will be in full force and effect except as amended by Resolution No. 350.

(c) This Purchase Contract, the Bond Resolution, and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, or order, or any agreement or instrument to which Seller is subject; which breach or default would impair the authority of the Seller to issue the Bonds or the security for the

payment of the Bonds.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Seller of its obligations under this Purchase Contract, the Bond Resolution, the Bonds, and any other instruments contemplated in this transaction have been obtained and are in full force and effect.

(e) The Bonds , when delivered in accordance with the Bond Resolution and paid for by the purchaser on the Closing Date as provided herein, will be validly issued and outstanding binding obligations of the Seller enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights.

(f) The Official Statement (as supplemented with the approval of the Purchaser, if the Official Statement shall have been supplemented) will be, as of the Closing Date, true, correct and complete in all material respects and does not, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) For a period of 90 days from the date hereof or until such time (if earlier) as the Purchaser shall no longer hold any of the Bonds for sale, if any event shall occur as a result of which it is necessary to supplement the Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the Seller shall forthwith notify the Purchaser of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Official Statement necessary, in the Purchaser's opinion so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

(h) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or, to the knowledge of the Seller, threatened in any way affecting the existence of the Seller or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the

application of the proceeds thereof in accordance with the Bond Resolution, or the collection or application of ad valorem property taxes levied to pay the principal of and interest on the Bonds, or the pledge thereof or of the proceeds of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds.

(i) Any certificate signed by an authorized officer of the Seller, shall be deemed a representation and warranty by the Seller to the Purchaser as to the statements made therein;

(j) The Seller will apply the proceeds of the Bonds in accordance with the Bond Resolution and

(k) The Seller has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 3. Conditions to the Obligations of the Purchaser.

The obligations of the Purchaser to accept delivery of and pay for the Bonds on the Closing Date shall be subject, to the accuracy in all material respects of the representations and warranties on the part of the Seller contained herein as of this date and as of the Closing Date, to the accuracy in all material respects of the statements of the officers of the Seller made in any certificates or other documents furnished pursuant to the Purchase Contract, to the performance by the Seller of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Bond Resolution shall have been duly authorized, executed and delivered by the Seller, and in substantially the form heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Contract, all such actions as, in the opinion of either the Purchaser or the Seller, shall be necessary or appropriate;

(b) At the Closing Date, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser and the Seller;

(c) Between the date hereof and the Closing Date, the

marketability, of the Bonds, shall not have been materially adversely affected, in the reasonable judgment of the Purchaser, by reason of any of the following:

- (1) a material adverse change in the financial condition or general affairs of Seller;
- (2) an event, court decision, proposed or adopted law or rule which would have a material adverse effect on the federal income tax incident to the Bonds or the contemplated transactions;
- (3) an international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in, the marketability of the Bonds; or of purchaser's ability to deliver funds.
- (4) the withdrawal or downgrading of any rating of the Bonds or of any other securities of the Seller by a national rating agency;
- (5) any event occurring, or information becoming known which makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) At or prior to the Closing, the Purchaser will have received from the Seller the following documents, in each case satisfactory in form and substance to the Purchaser acting reasonably:

- (1) The Bonds, in definitive form, duly executed;
- (2) The Bond Resolution and the Official Statement, each executed on behalf of the Seller by an authorized officer;
- (3) The unqualified approving opinion of Bond Counsel satisfactory to Purchaser, dated the Closing Date, substantially in the form of Appendix B, attached and incorporated herein by this reference; with appropriate changes to reflect the purchase of the Series 1986-B

Bonds as described herein.

- (4) A supplemental approving opinion of Bond Counsel satisfactory to the Purchaser, dated the closing date, substantially in the form of Appendix C, attached and incorporated herein by this reference;
- (5) A certificate setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage" bonds" within the meaning of Section 103(c) of the Internal Revenue Code and applicable regulations.
- (6) A certificate signed by an authorized officer of the Seller, to the effect that no litigation is pending, or to such officer's knowledge threatened, restraining or enjoining the issuance, sale, execution or delivery of the bonds, or collecting ad valorem property taxes levied to pay the principal of or interest on the Bonds, or adversely affecting the Seller's right or authority to carry out the terms and conditions of the Bond Resolution.
- (7) Evidence of a rating of the Bonds from Moody's Investor's Service Inc. of "A-1";

If any of the conditions to the obligations of the Purchaser contained in this Section shall not have been satisfied when and as required herein, all obligations of the Purchaser hereunder may be terminated by the Purchaser at, or at any time prior to, the Closing Date by written notice to the Seller, subject to paragraph 4 with respect to expenses.

Section 4. Expenses.

(a) Whether or not the Purchaser accepts delivery of and pays for the Bonds as set forth herein, the Purchaser shall be under no obligation to pay, and the Seller shall pay or cause to be paid (out of the proceeds of the Bonds or any other legally available funds of the Seller) all expenses incident to the performance of the Seller's obligations hereunder, including but not limited to the cost of printing, engraving and delivering the Bonds to the Purchaser; the cost of preparation, printing (and/or word

processing and reproduction), distribution and delivery of the Bond Resolution fees and disbursements of the Bond Counsel, accountants, and any other experts or consultants retained by the Seller in connection with the Bonds; any fees charged by the rating agencies for rating the Bonds; travel costs of the Seller; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred by the Seller in connection with the issuance of the Bonds. The Purchaser shall pay all expenses of preparing, printing, and distributing a Preliminary Official Statement and Official Statement.

(b) Whether or not the Bonds are delivered to the Purchaser as set forth herein, the Seller shall be under no obligation to pay, and the Purchaser shall pay, the cost of preparation, printing (and/or word processing and reproduction), distribution and delivery of any agreement among underwriters, the letter of instructions to such underwriters, any "blue sky" and legal investment memoranda and this Purchase Contract; expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Purchaser in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the fees and disbursements of their counsel, if any, and all advertising expenses in connection with the public offering of the Bonds.

Section 5. Parties in Interest.

This Purchase Contract is made solely for the benefit of the Seller and the Purchaser (including successors or assigns of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 6. Survival of Representations, Warranties, and Agreements.

The representations and warranties of the Seller, set forth in or made pursuant to this Purchase Contract, shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the delivery of the Bonds or termination of this Purchase Contract and regardless of any investigations or statements as to the results thereof made by or on behalf of the Purchaser and regardless of delivery of and payment for the Bonds. Should the Purchaser fail (other than for reasons permitted in this Purchase Contract) to pay for the Bonds at Closing, any expenses incurred shall be borne in accordance with Section 4. Should the Seller fail to satisfy any of the foregoing conditions or covenants, or if Purchaser's obligations are terminated for any reason permitted under the Purchase Contract, then

neither Purchaser nor seller shall have any further obligations under this Purchase Contract, except that any expenses incurred shall be borne in accordance with Section 4.

Section 7. Notice.

Any written notice required by this Purchase Contract shall be sent to the Seller at its offices located at 4730 Colby Avenue, Everett, Washington 98203 and to the Purchaser at its offices located at Suite 1500, 999 Third Avenue, Seattle, Washington 98104, or at such other locations as either party may direct.

Section 8. Effective.

This offer expires on the date set forth on Appendix A. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Seller and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

DAIN BOSWORTH INCORPORATED

By _____

ACCEPTED BY:

EVERETT SCHOOL DISTRICT NO. 2

This 25th day of June, 1986

By: _____

Title: _____

APPENDIX A

A. Description of Bonds.

1. Date: July 1, 1986.
2. Denomination: \$5,000 or integral multiples thereof as specified by Purchaser.
3. Form: Fully registered as to principal and interest. CUSIP numbers printed on Bonds.
4. Interest Payable: Semiannually, commencing June 1, 1987.
5. Maturity Schedule and Interest Rates: Bonds shall have stated maturity dates, and shall bear interest as specified below:

<u>Due</u>	<u>June 1</u> <u>Amount</u>	<u>December 1</u> <u>Amount</u>	<u>Rate</u>	<u>Yield or</u> <u>Price</u>
1996		520,000	7.70	100
1997	145,000	1,165,000	7.80	100
1998	65,000	1,300,000	7.90	100
1999	1,650,000	590,000	8.00	100
2000	1,905,000	1,970,000	8.05	100

6. Redemption:

- (a) Optional Redemption. The Bonds maturing on December 1, 1996 and thereafter are subject to redemption at the option of the District on any interest payment date on or after June 1, 1996 in whole or in part at the rate of par plus interest accrued on the Bonds to the date fixed for redemption.

- B. Purchase Price. \$9,142,420.00 plus accrued interest from July 1, 1986 to the Closing Date.
- C. Closing Date: on or before July 30, 1986.
- D. Offer Expires: June 25, 1986.

_____, 1986

Everett School District No. 2
Snohomish County, Washington

Dain Bosworth Incorporated
Seattle, Washington

Ladies and Gentlemen:

This is our opinion as bond counsel in connection with the issuance by Everett School District No. 2, Snohomish County, Washington (the "District") of the bonds described below (the "Bonds"):

\$37,950,000
Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation Bonds, 1986
dated June 1, 1986
First Interest Payment Due June 1, 1987
[Principal Payments Due June 1 and December 1, 198__
through _____ 1, 20__]

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. We also have examined an executed Bond or such other specimens and proofs as we have deemed necessary to determine that such Bonds meet all legal requirements as to form and execution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without making an independent investigation to verify such facts.

We have not been engaged to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

Based on our examination, it is our opinion that:

1. The Bonds are lawfully authorized and issued.
2. The Bonds are valid and binding general obligations of the District.

Everett School District No. 2
Dain Bosworth Incorporated
_____, 1986

Page 2

3. All taxable property in the District is subject to the levy of unlimited ad valorem taxes to pay the principal of and interest on the Bonds.

4. Interest on the Bonds is exempt from federal income tax under present laws, regulations, decisions and interpretations.

It is to be understood that the rights of the Registered Owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Respectfully submitted,

6314Y

[SUPPLEMENTAL OPINION - NOT TO BE PRINTED ON THE BONDS]

Everett School District No. 2
Snohomish County, Washington

Dain Bosworth Incorporated
King County, Washington

Re: \$37,950,000 Everett School District No. 2
Snohomish County, Washington
Unlimited Tax General Obligation Bonds, Series 1986

On December 17, 1985, the United States House of Representatives adopted H.R. 3838 which provides for a major revision of the federal tax system. That legislation contains a December 31, 1985 effective date and if enacted into law would subject the Bonds to certain of its provisions. Non-compliance with such provisions may cause the interest on the Bonds to be subject to federal income tax retroactive to the date of issue of the Bonds. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Bonds and other amounts may be invested, which require that certain investment earnings on the foregoing must be rebated periodically to the Treasury Department of the United States, and which prescribe certain time limits within which the proceeds of the Bonds must be expended. Furthermore, with respect to interest income received from tax-exempt obligations acquired after November 14, 1985, H.R. 3838 would impose, for taxable years beginning after 1987, an alternative minimum tax on the net gain of property and casualty insurance companies from operations, including interest from tax-exempt obligations such as the Bonds.

On March 14, 1986, the Chairmen and Ranking Members of the House Committee on Ways and Means and Senate Committee on Finance and the Secretary of Treasury issued a "Joint Statement on the Effective Dates of Pending Tax Reform Legislation" (the "Joint Statement"). With exceptions not applicable to the Bonds, such Joint Statement endorses a postponement until September 1, 1986 (or the enactment of tax reform legislation, if earlier) of certain provisions of H.R. 3838 including, but not limited to, investment restrictions, rebates of earnings to the U.S. Treasury Department, certain restrictions on advance refundings, information reporting, time limitations within which proceeds of tax-exempt obligations must be spent, and treatment of interest on tax-exempt bonds as a minimum tax preference item.

Everett School District No. 2
Dain Bosworth Incorporated

If the provisions of the Joint Statement are incorporated into H.R. 3838, and if H.R. 3838 is enacted in the form adopted by the United States House of Representatives on December 17, 1985, the interest on the Bonds would remain tax exempt. No assurances can be given that H.R. 3838 if finally enacted will be in the form adopted on December 17, 1985, or that it will not contain different provisions that could adversely affect the exemption of interest on the Bonds from federal income taxation.

On May 7, 1986, the Finance Committee of the United States Senate (the "Finance Committee") approved its own tax reform proposal which differs from H.R. 3838 in many respects. As approved, the Finance Committee proposal would not, if enacted, subject interest on the Bonds to federal income taxation except that some tax-exempt interest received by corporations and banks may be subject to federal income tax under certain minimum corporate tax provisions.

No assurances can be given that H.R. 3838 or the Finance Committee proposal, if finally enacted, will be in their present form or will not contain different provisions which could adversely affect the exemption of interest on the Bonds from federal income taxation.

Very truly yours,

[PERKINS COIE]

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