

**SPECIAL MEETING OF THE BOARD OF TRUSTEES
OF THE EVERGREEN STATE COLLEGE**

Wednesday, March 11, 1987
Daniel J. Evans Library
Olympia, Washington

Trustees Attending: Kay Boyd
Herbert Gelman
George E. Mante
Richard S. Page
William T. Robinson (work session only)
David K. Y. Tang
Allan M. Weinstein

**Representatives
to the Board
Present:** Don Finkel, Faculty
Lincoln Post, Student

Staff Present: Jeannie Chandler, Director of Housing
Keith Eisner, Information Specialist
Rita Grace, Administrative Assistant to President
Patrick Hill, Vice President and Provost
Stan Marshburn, Assistant to the President
Gail Martin, Vice President for Student Affairs
Ken Winkley, Associate Vice President for Administrative Services
See permanent roster for others attending

Others Attending: R. T. Kennedy, Seattle Northwest Securities
William Tonkin, Roberts and Shefelman

The meeting was called to order at 9:07 AM by Vice Chairman Tang who chaired the meeting until Chairman Page arrived.

PRESIDENT'S REPORT

President Olander reported (1) a successful 20th anniversary Founding Festival celebration; and (2) that the College had reached the legislatively mandated enrollment for fall quarter on March 3--additional applications are pending the legislature's approval of the College's growth request. He distributed Founding Festival commemorative booklets to each of the Trustees.

APPROVAL OF MINUTES - Action

**Motion
87-07**

Mr. Gelman moved approval of the minutes of the February 11, 1987 meeting as submitted. Seconded by Mr. Mante and passed.

3/11/87

NEW HOUSING BOND RESOLUTION - Action

Gail Martin introduced Dick Kennedy from Seattle Northwest Securities, who informed Trustees of actions following the last Board meeting. The housing bonds received an investment grade upper rating for municipal issues. He feels it is right on target. The bonds sold on March 9. He felt the interest rate of 7 1/8 percent was very good. Housing bond issues are rare in the municipal bond market. The net effective interest borrowing rate is 7.03 percent.

Bill Tonkin, with the bond counsel firm of Roberts and Shefelman, explained the provisions of the bond resolutions. Proceeds of the bonds go into a construction fund principally to pay the costs of the project. He also explained that the actual maximum annual debt service was \$407,000 (rather than \$413,000).

**Motion
87-08**

Mr. Gelman moved approval to enter an agreement with Seattle Northwest Securities for purchase of the bonds to provide housing for 200 students plus a new housing community center and that the Board approve Resolution 2-87, Entitled "Resolution of the Board of Trustees of TESC authorizing the issuance of revenue bonds in the sum of \$4,175,000 secured by revenue from the College Housing System for the purpose of providing funds for the construction of College housing and related facilities," and Resolution 3-87, entitled "Resolution of the Board of Trustees of TESC adopting a system of registration of bonds and obligations of the College." Seconded by Mr. Mante and passed.

Trustees expressed appreciation to staff who worked on this project.

APPOINTMENT OF UNION CONTRACT NEGOTIATING TEAM - Action

President Olander reminded Trustees of the 60 to 90 day notification required to open the union contract, which is to terminate on May 30, 1987. He recommended the appointment of a management negotiating team and mentioned that the College will very likely employ a professional negotiator to train and advise the management team.

The union has verbally stated their intention to ask for improved benefits for child care, recreation facility usage, and parking.

President Olander suggested that the Trustees meet with the union negotiating team at a future work session to discuss the specific authorizations the Board would want to delegate to the team.

**Motion
87-09**

Ms. Boyd moved approval to delegate authority to the management team to negotiate the terms of a new collective bargaining agreement with the Washington Federation of State Employees, AFL-CIO, subject to final approval by the Board.

3/11/87

Motion
87-09
cont.

The management team is to include Ken Winkley (chair), Susan Washburn, Gail Martin, and Karen Wynkoop. Rita Cooper will serve as an advisor to the management team. Seconded by Mr. Gelman and passed.

OTHER BUSINESS AND INFORMATION

Legislative Update

Mr. Marshburn provided a legislative update mentioning the major pieces of legislation: operating, capital, and supplemental budget (which would provide a 4.5 percent salary increase for faculty, effective March 1); the Fund for Excellence; the Distinguished Professorship Program; Education Services Agency; and Master in Teaching. He also reported the status of specific higher education bills, which included day care for students, staff and faculty; tuition; and public support to private institutions. Also discussed were the Administrative Procedures Act amendments; gun control on campuses; and student immunization. Collective bargaining has not been pursued in this session since it would be counter-productive to significant salary increases for faculty.

Miscellaneous

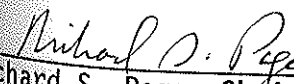
Chairman Page expressed appreciation to those who planned the Founding Festival activities and announced that the Governor had declared the first week of March as "A Salute to The Evergreen State College Week."

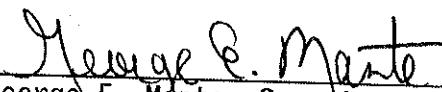
President Olander announced groundbreaking ceremonies for the new student housing project.

ADJOURNMENT AND EXECUTIVE SESSION

The Board meeting adjourned at 10:00 AM.

Trustees convened an executive session to discuss development of a faculty evaluation system.


Richard S. Page, Chairman


George E. Mante, Secretary

Attachments: Resolutions 2-87 and 3-87

DRAFT

3-3-87

RESOLUTION NO. 2-87

A RESOLUTION of the Board of Trustees of The Evergreen State College authorizing the issuance of revenue bonds in the sum of Four Million One Hundred Seventy-Five Thousand Dollars (\$4,175,000.00), secured by revenue from the College Housing System for the purpose of providing funds for the construction of College housing and related facilities.

WHEREAS, it is deemed necessary, advisable, and to the best interest of The Evergreen State College that the College construct a housing Project at its Thurston County, Washington, campus consisting of seven apartment buildings containing one-, two-, four- and six-bedroom apartments to house approximately 200 students, and the appurtenant furnishings, equipment and facilities thereof and a student community facility to provide certain related student services; and

WHEREAS, the College is authorized by law to borrow money and to issue evidences of indebtedness of such borrowing for the purpose of constructing and installing student housing facilities with all the pertinent facilities necessary thereto, dining facilities and other facilities for student services, and to secure such evidences of indebtedness by a pledge of the net revenues derived from the operation and/or ownership of College housing consisting of existing housing facilities now owned by the College and all other College housing and related student facilities which may be added at future dates; and

WHEREAS, it is further deemed necessary and advisable and to the best interest of the College that it now issue and sell revenue bonds in the aggregate principal sum of Four Million One Hundred Seventy-Five Thousand Dollars (\$4,175,000.00) for the purpose of providing funds to construct such College housing and the community facility;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of The Evergreen State College, as follows:

Section 1. Definitions. As used in this Resolution, the following words and phrases shall have the meanings hereinafter set forth:

A. "Annual Debt Service" for the applicable issue or series of Bonds and Future Parity Bonds for any calendar year shall mean all the interest, plus all principal (except principal of Term Bonds due in any Term Bond Maturity Year to the extent that those Term Bonds are subject to either mandatory prior redemption or sinking fund requirements), and plus all mandatory redemption and sinking fund requirements for that year, less all bond interest payable from the proceeds of any such Bonds or Future Parity Bonds in that year.

B. "Bond Fund" shall mean the Housing System Revenue Bond Fund, 1987, created by Section 9 of this resolution for the purpose of paying and securing the principal of and interest on the Bonds and any Future Parity Bonds.

C. "Bond Registrar" shall mean the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, as the same may be designated from time to time.

D. "Bonds" shall mean The Evergreen State College Housing System Revenue Bonds, 1987, the issuance and sale of which is authorized herein to provide funds for the construction and equipping of the Project;

E. "College" shall mean The Evergreen State College, a public educational institution of the State of Washington, located in Thurston County, Washington;

F. "College Housing Fund" shall mean the fund of that name created by section 11 of this resolution into which Gross Revenues of the Housing System is to be deposited and which is pledged to payment of principal of and interest on the Bonds.

G. "Construction Fund" shall mean the fund of that name created by section 10 of this resolution for payment of the costs of the Project.

H. "Coverage Requirement" shall mean Net Revenue of the System at least equal to 1.50 times the Annual Debt Service in that current year on applicable Bonds and Future Parity Bonds.

I. "Existing College Housing" shall mean the housing facilities owned and operated at the College's Thurston County, Washington, campus as of the date of this resolution, but shall not include the Project;

J. "Future Parity Bonds" shall mean any and all housing revenue bonds of the College issued after the date of the issuance of the Bonds pursuant to the provisions of Section 13 of this resolution, the payment of the principal of and interest on which constitutes a lien and charge upon the Gross Revenue of the Housing System and the College Housing Fund on a parity with the lien and charge of the Bonds upon such Gross Revenue.

K. "Gross Revenue of the Housing System" or "Gross Revenue" shall mean all the rentals, charges, income, earnings and revenue received by the Housing System from any source whatsoever, except general ad valorem taxes, grants from state, federal or local governments, earnings in any refunded bond escrow account or fund, earnings on gross proceeds of the Bonds or Future Parity Bonds to the extent, if any, those earnings are required to be rebated to the United States, gifts to the Housing System for capital purposes, proceeds from the sale of College property, and original proceeds of Housing System obligations.

L. "Housing System" shall mean the housing facilities owned and operated by the College, consisting of Existing College Housing, the Project, and such other housing and related

student facilities which may be added to the Housing System at future dates;

M. "Maximum Annual Debt Service" shall mean, as of any calculation date, the maximum amount of Annual Debt Service which shall mature or come due in the current calendar year or any future calendar year over the life of the Bonds and any Future Parity Bonds.

N. "Net Revenue of the Housing System" or "Net Revenue" shall mean the Gross Revenue of the Housing System less Operating and Maintenance Expenses.

O. "Operating and Maintenance Expenses" shall mean all reasonable operating expenses, maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, properly allocated share of charges for utilities, and all other expenses incident to the operation of the Housing System, but shall exclude depreciation, capital furnishings, general administrative expenses recharged by other departments of the College, bond principal and interest payments, and bond reserve accruals.

P. "Permitted Investments" shall mean:

(i) bonds, notes and other evidences of direct indebtedness of the United States of America and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America;

(ii) obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, or Export-Import Bank of the United States which are authorized investments for College funds under the laws of the State of Washington;

(iii) direct obligations of, or obligations unconditionally guaranteed by, the State of Washington, or of any municipal corporation of the State of Washington, the obligations of which are authorized investments for College funds under the laws of the State of Washington and are rated Aa or better by Moody's Investors Service, Inc., and Aa or better by Standard & Poor's Corporation;

(iv) deposits with a designated qualified public depository defined as such by the laws of the State of

Washington, the deposits of which are insured by the Federal Deposit Insurance Corporation and which

(a) has an unsecured, uninsured and unguaranteed obligation rated Aa2 or better by Moody's Investors Service, Inc., or Aa or better by Standard & Poor's Corporation; or

(b) is the lead bank of a parent holding company with an unsecured and unguaranteed obligation rated Aa2 or better by Moody's Investors Service, Inc., and Aa or better by Standard & Poor's Corporation; or

(c) has combined capital, surplus and undivided profits of not less than \$3,000,000, provided that the principal plus interest to accrue over the term of the deposit is fully insured by the Federal Deposit Insurance Corporation or secured by investments described in (i), (ii) and (iii) above; and

(v) deposits with any savings and loan institution operating under the laws of the State of Washington having combined capital, surplus and undivided profits of not less than \$3,000,000, provided that the principal plus interest to accrue over the term of the deposit is fully insured by the Federal Deposit Insurance Corporation or the FSLIC or secured by investments described in (i), (ii) and (iii) above.

Q. "Principal and Interest Account" shall mean the account of that name created in the Bond Fund by Section 9 of this resolution for the payment of the principal of and interest on the Bonds and any Future Parity Bonds.

R. "Project" shall mean the construction project at the College's Thurston County campus consisting of seven apartment buildings containing one-, two-, four-, and six-bedroom apartments to house approximately 200 students, and the appurtenant furnishings, equipment and facilities thereof, and a student community facility to provide certain related student services;

S. "Rebate Account" means the special account established by Section 9 of this resolution for the purpose of complying with federal arbitrage rebate requirements.

T. "Reserve Account" shall mean the account of that name created in the Bond Fund by Section 9 of this resolution for the purpose of securing the payment of the principal of and interest on the Bonds and any Future Parity Bonds.

U. "Reserve Requirement" shall mean:

- (1) For the Bonds, \$413,190; and
- (2) For any issue of Future Parity Bonds, to be fixed at the time of their issuance, the difference between the amount on deposit in the Reserve Account and the lesser of the Maximum Annual Debt Service or 125% of the Average Annual Debt Service on all bonds payable out of the Bond Fund, including the Bonds authorized by this resolution.

V. "Term Bond Maturity Year" shall mean any year in which Term Bonds are scheduled to mature.

W. "Term Bonds" shall mean the Bonds maturing in 2007 and any Future Parity Bonds of any single issue or series (a) designated as Term Bonds in the resolution authorizing their issuance or sale, and (b) which are subject to mandatory prior redemption or for which mandatory sinking fund payments are provided.

Section 2. Authorization of Bonds. For the purpose of providing the funds required to construct, furnish, equip and provide other facilities required for the Project, to pay the costs of issuing the Bonds and to capitalize the Reserve Account, the College shall issue and sell the Bonds in an aggregate total principal sum of Four Million One Hundred Seventy-Five Thousand Dollars (\$4,175,000.00). The Bonds shall be designated Housing System Revenue Bonds, 1987; shall be dated March 1, 1987; shall be in denominations of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purpose of identification; and shall bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months), payable on March 1, 1988, and semiannually thereafter on each succeeding

September 1 and March 1, and shall mature on March 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Amount</u>	<u>Interest Rates</u>
1988	\$ 50,000	
1989	75,000	
1990	105,000	
1991	135,000	
1992	140,000	
1993	150,000	
1994	160,000	
1995	170,000	
1996	180,000	
1997	190,000	
1998	200,000	
1999	215,000	
**	**	
2007	2,405,000	

If any Bond is not redeemed upon proper presentment at its maturity or call date, the College shall be obligated to pay interest at the rate borne by such Bond from and after its maturity or call date until such Bond, both principal and interest, is paid in full or until sufficient money for such payment in full is on deposit in the Bond Fund and such Bond has been called for payment.

Upon surrender thereof to the Bond Registrar, the Bonds may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be required to exchange or transfer any Bond during the fifteen days preceding any principal payment or redemption date.

The Bonds shall be issued only in registered form as to both principal and interest and recorded in the books and records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of

the owner of each Bond and the principal amounts and numbers of Bonds held by each such owner.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owners at the addresses appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at either office of the Bond Registrar at the option of such owners. The Bonds shall be payable solely out of the Bond Fund and shall not be general obligations of the College.

Section 3. Redemption of Bonds. Bonds maturing in the years 1988 through 1997, inclusive, shall be issued without the right or option of the College to redeem the same prior to their stated maturity dates. The College reserves the right and option to redeem the Bonds maturing on and after March 1, 1998, as a whole, or in part (and by lot within a maturity in such manner as the Bond Registrar shall determine), on March 1, 1997, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption. If the College elects to redeem less than all of the Bonds, the College shall select the maturity or maturities to be redeemed.

The Bonds maturing in the year 2007 are Term Bonds and, if not previously called for optional redemption or purchased in the open market, shall be called for redemption at par plus accrued interest to the date fixed for such redemption by lot (in such manner determined by the Bond Registrar), and the College shall set aside into the Principal and Interest Account, on March 1 in the following years and following amounts:

Mandatory Redemption Year	Mandatory Redemption Amount
2000	
2001	\$230,000
2002	250,000
2003	265,000
2004	285,000
2005	310,000
2006	330,000
2007	355,000
	380,000

Term Bonds previously redeemed by optional call or open market purchase shall be credited to the Bonds to be called on the next mandatory redemption date.

Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar, there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any of the denominations authorized by this ordinance.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the owner of any Bond. Interest on the Bonds so called for redemption shall cease to accrue on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York,

New York, or their successors, to Seattle-Northwest Securities Corporation, at its principal office in Seattle, Washington, or its successor, and to such other persons as the College Controller shall deem to be appropriate or necessary, but such mailings shall not be a condition precedent to the redemption of such Bonds.

The College further reserves the right and option to purchase any or all of the Bonds in the open market at any time at a price not in excess of par plus accrued interest to the date of such purchase. Bonds so purchased shall be retired and cancelled.

Section 4. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF WASHINGTON

THE EVERGREEN STATE COLLEGE

HOUSING SYSTEM REVENUE BOND, 1987

Interest Rate: Maturity Date: CUSIP NO.

Registered Owner:

Principal Amount: DOLLARS

THE EVERGREEN STATE COLLEGE (the "College"), an educational institution of the State of Washington, promises to pay to the Registered Owner identified above on the Maturity Date identified above from the Housing System Revenue Bond Fund, 1987, of the College (the "Bond Fund") created by Resolution No. ____ (the "Bond Resolution") maintained by the College to pay this bond the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the date of this bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above payable on March 1, 1988, and semiannually thereafter on each succeeding September 1 and March 1 to the maturity or earlier redemption of this bond. If this bond is duly presented for payment and not paid on its maturity or call date, then interest shall continue to accrue at the same rate until this bond, both principal and interest, has been paid in full or sufficient money for such payment in full is

on deposit in the Bond Fund and this bond has been duly called for payment.

This bond is payable in lawful money of the United States of America. Principal is payable at the office of either of the fiscal agencies of the State of Washington in Seattle, Washington, or New York, New York, the Bond Registrar. Payment of each installment of interest shall be made to the Registered Owner hereof whose name shall appear on the registration books of the District maintained by the Bond Registrar (the "Bond Register") at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Bond Registrar mailed to such Registered Owner at the address appearing on the Bond Register.

This bond is payable solely out of the Bond Fund, into which fund the College has pledged irrevocably to pay out of the Net Revenue of the Housing System certain fixed amounts, without regard to any fixed proportion, namely, amounts sufficient to pay the principal of and interest on the bonds of this issue and any Future Parity Bonds hereafter issued in accordance with Section 13 of the Bond Resolution, as they respectively become due and to create a reserve therefor, all at the times and in the manner set forth in the Bond Resolution. The bonds of this issue are not general obligations of the College.

The Gross Revenue of the Housing System is pledged to the Bond Fund for the payment of the Bonds and any Future Parity Bonds, and this pledge constitutes a lien and charge on the Gross Revenue of the Housing System prior and superior to any other liens and charges whatsoever, subject only to the prior payment of the Operating and Maintenance Expenses.

Reference is made to the additional provisions of this bond set forth on the reverse side hereof and in the Bond Resolution and such additional provisions for all purposes shall have the same effect as if set forth on the front side hereof.

Reference also is made to the Bond Resolution for the definitions of the capitalized terms appearing herein and not otherwise defined.

This bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Bond Registrar. The principal of and interest on this bond shall be paid only to the owner hereof registered as such on the Bond Register as of the record date set forth above and to no other person, and this bond may not be assigned except on the Bond Register.

It is certified and declared that all acts, conditions and things required to be done precedent

to and in the issuance of this bond have been done, have happened and have been performed as required by law.

IN WITNESS WHEREOF, the College has caused this bond to be executed on behalf of the College by the facsimile signatures of the Chairman and Secretary of its Board of Trustees, and a facsimile reproduction of the seal of the College to be printed hereon, as of this first day of March, 1987.

THE EVERGREEN STATE COLLEGE

By (facsimile signature)
President of the
Board of Trustees

By (facsimile signature)
Secretary of the
Board of Trustees

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered The Evergreen State College Housing System Revenue Bonds, 1987, described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By _____
Authorized Officer

ADDITIONAL PROVISIONS

This bond is one of a total issue of \$4,175,000 par value of bonds designated Housing System Revenue Bonds, 1987 (the "Bonds"), issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof within a single maturity, all of like date, tenor and effect, except as to numbers, maturities, interest rates, denominations and options of redemption, issued by the College under and pursuant to the laws of the State of Washington and the Bond Resolution for the purpose of providing the funds to pay a part of the cost of constructing, furnishing, equipping and providing other facilities required for the Project and pay the costs of issuance and sale of the Bonds.

Bonds maturing on March 1, 1988, through March 1, 1997, inclusive, are issued without the right or option of the District to redeem the same prior to their stated maturity dates. The District

reserves the right and option to redeem Bonds maturing on or after March 1, 1998, in whole, or in part (and by lot within a maturity in such manner as the Bond Registrar shall determine), on March 1, 1997, and on any interest payment date thereafter, at par plus accrued interest to the date fixed for redemption. If not all of such Bonds are called for redemption, the College shall select the maturity or maturities to be redeemed. Unless previously called for optional redemption or purchase in the open market, the College shall call Term Bonds maturing in the year 2007 for mandatory redemption at par plus accrued interest to the date fixed for such redemption, by lot (in such manner as the Bond Registrar shall determine), and the College shall set aside into the Principal and Interest Account, on March 1 in the following years and following amounts:

Mandatory
Redemption Year

Mandatory
Redemption Amounts

\$

Term Bonds previously redeemed by optional call or open market purchase shall be credited to the Bonds to be called on the next mandatory redemption date.

Any Bond in the principal amount of greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of such Bond, a new Bond or Bonds, at the option of the Registered Owner, shall be issued to the Registered Owner, without charge, in the aggregate principal amount remaining unredeemed.

Notice of any such intended redemption shall be sent no less than 30 nor more than 45 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register. The requirements of the Bond Resolution shall be deemed to be complied with when notice is mailed as herein provided whether or not it is actually received by the owner of any Bonds. The interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, or their successors, to Seattle-Northwest Securities Corporation at its principal office in Seattle, Washington, or its successor, and to such other persons and with such additional information as the

College Controller shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

The College further has reserved the right to purchase any of the Bonds on the open market at any time at a price not in excess of the call price applicable for plus accrued interest to the date of purchase.

Reference is made to the Bond Resolution for other covenants and declarations of the College and other terms and conditions upon which this Bond has been issued, which terms and conditions, including, but not limited to, terms pertaining to defeasance, are made a part hereof by this reference. The College irrevocably and unconditionally covenants that it will keep and perform all the covenants of this Bond and of the Bond Resolution.

This Bond is transferable by the Registered Owner hereof or by such owner's duly authorized agent at the Bond Registrar, but only in the manner and subject to the limitations set forth in the Bond Resolution, and only upon due completion of the assignment form appearing hereon and upon the surrender and cancellation of this Bond. Upon such transfer, a new Bond (or Bonds at the option of the new Registered Owner) of the same maturity and for the same aggregate principal amount will be issued to the new Registered Owner, without charge, in exchange therefor. This Bond and other Bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

The College and the Bond Registrar may deem and treat the Registered Owner of this Bond as its absolute owner for the purpose of receiving payment of principal and interest and for all other purposes, and neither the College nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment. "Registered Owner," as used herein, means the person or entity named as the Registered Owner of the Bond on the front hereof and on the Bond Register.

[Legal Opinion]

ASSIGNMENT

For value received, the undersigned Registered Owner does sell, assign and transfer unto:

(name, address and social security or other identifying number of assignee)

the within mentioned Bond and irrevocably constitutes and appoints _____ to transfer the same on the Bond Register with full power of substitution in the premises.

DATED: _____

Registered Owner

(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.)

Section 5. Bonds Special and Limited Obligations. The Bonds are not an obligation of the State of Washington or a general obligation of The Evergreen State College, but are a special and limited obligation of the College payable solely from the Bond Fund, and no officer of the College nor any member of its Board of Trustees shall be liable in any manner for the payment of the principal thereof and/or interest thereon.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the College by the facsimile signatures of the Chairman and Secretary of its Board of Trustees, and shall have a facsimile of the official seal of the College reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form heretofore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered The Evergreen State College Housing System Revenue Bonds, 1987, described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By _____
Authorized Officer

The authorized execution of such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either or both of the officers who shall have executed the Bonds shall cease to be such officer or officers of the College before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar or issued by the College, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the College as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the College. Any Bond also may be signed on behalf of the College by such persons as at the actual date of execution of such Bond shall be proper officers of the College authorized to execute Bonds although on the original date of such Bond such persons were not such officers of the College.

Section 7. Registration. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the College. The Bond Registrar is authorized, on behalf of the College, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the College's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution and Resolution No. 3-87 establishing a system of registration for the College's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not

the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 8. Negotiability. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 9. Housing System Revenue Bond Fund, 1987. There is created in the office of the College Controller a special fund of the College to be known as the Housing System Revenue Bond Fund, 1987 (defined herein as the "Bond Fund"), which fund is divided into three accounts, namely, a Principal and Interest Account, a Reserve Account, and a Rebate Account. Upon the issuance and delivery of the Bonds and the payment of the full purchase price therefor, the College Controller shall deposit the accrued interest received, if any, in the Principal and Interest Account and shall deposit in the Reserve Account from the proceeds of sale of the Bonds, an amount equal to the Reserve Requirement (but not to exceed 10% of the aggregate face amount of the Bonds). There shall be deposited in the Rebate Account any excess earnings on gross proceeds of the Bonds that are subject to rebate to the United States, determined in the manner and to the extent required by Section 148 of the Internal Revenue Code of 1986. Money in the Rebate Account, if any, shall be held in trust to satisfy federal arbitrage rebate requirements. So long as any Bonds or Future Parity Bonds are outstanding against the Bond Fund, the College obligates and binds itself to set aside and pay into the Bond Fund on or before the 20th day of each month, out of the Net Revenue of the Housing System, certain fixed amounts without regard to any fixed proportion, namely:

(a) Into the Principal and Interest Account, beginning with the month of March, 1987, at least an amount which, together with other money on deposit therein, will equal 1/6 of the amount of interest to become due and payable on the Bonds outstanding on the next interest payment date and 1/12 of the amount of principal to become due and payable on the Bonds outstanding on the next principal payment date, including any Bonds subject to mandatory redemption on that date and, on or before each interest or principal and interest payment date of Future Parity Bonds, at least an amount which, together with other money on deposit therein, will be sufficient to pay the interest or principal and interest to become due and payable on Future Parity Bonds outstanding on that next payment date, including any Future Parity Bonds subject to mandatory redemption on that date; and

(b) Into the Reserve Account, from the proceeds of the Bonds, an amount necessary to fund the Reserve Requirement for the Bonds and, for Future Parity Bonds, an amount necessary to fund the Reserve Requirement within the time permitted by this resolution. For the Bonds, the Reserve Requirement shall be fully funded by proceeds from the issuance and sale of the Bonds.

The College covenants and agrees that it will at all times maintain in the Reserve Account an amount equal to the Reserve Requirement, except for withdrawals therefrom as authorized herein, at all times so long as any of the Bonds are outstanding. When the total amount in the Bond Fund shall equal the total amount of principal and interest for all outstanding Bonds and Future Parity Bonds payable out of the Bond Fund to the last maturity thereof, no further payment need be made into the Bond Fund.

In the event that there shall be a deficiency in the Principal and Interest Account to meet maturing installments of either principal or interest, as the case may be or to pay required redemptions of the Bonds or Future Parity Bonds such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose. Any deficiency created in the Reserve Account by reason of any withdrawals shall then be made up from the Net Revenue of the Housing System first available after making necessary provisions for the required payments into the Principal and Interest Account. The

Reserve Requirement in the Reserve Account shall otherwise be held intact and may be applied against the last outstanding bonds payable out of the Bond Fund.

The College may provide for the purchase, redemption or defeasance of bonds payable from the Bond Fund by the use of money on deposit in any account in the Bond Fund as long as the money remaining in those accounts is sufficient to satisfy the required deposits in those accounts for the remaining bonds outstanding payable from the Bond Fund.

All money in the Bond Fund may be kept in cash or (for investments in the Principal and Interest Account) in Permitted Investments maturing not later than the date when the funds are required for the payment of principal of or interest on the outstanding bonds payable from the Bond Fund or (for investments in the Reserve Account) maturing not later than the last maturity of any remaining outstanding bonds payable from the Bond Fund. Income from investments in the Principal and Interest Account shall be deposited in that account. Income from investments in the Reserve Account shall be deposited in that account until the amount therein is equal to the Reserve Requirements of all bonds payable from the Bond Fund, and thereafter shall be deposited in the Principal and Interest Account.

Notwithstanding the provisions for the deposit of earnings, any earnings which are subject to a federal tax or rebate requirement may be withdrawn from other accounts of the Bond Fund for deposit into the Rebate Account for that purpose.

In no event shall any money in the Bond Fund or any other money reasonably expected to be used to pay principal of or interest on the Bonds be invested at a yield which would cause the Bonds to be arbitrage bonds within the meaning of Section

148 of the United States Internal Revenue Code of 1986 and applicable regulations thereunder.

If the College fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding bonds payable out of the Bond Fund may bring action against the College and compel the setting aside and payment.

Section 10. Construction Fund. There is created in the office of the Collge Controller a special fund of the College to be known as the Housing System Construction Fund, 1987 (defined herein as the "Construction Fund"). The balance of the proceeds of the sale of the Bonds remaining after the deposits made to the Principal and Income Account and the Reserve Account, as provided by Section 9 of this resolution shall be deposited in the Construction Fund. The money in the Construction Fund shall be expended solely for the purpose of paying the costs of issuance of the Bonds and paying the costs of constructing the Project and paying all expenses incidental thereto and heretofore incurred or to be incurred in connection therewith.

Section 11. College Housing Fund. The College has created and established the Housing System as defined in Section 1 above, and the Project is added to and made a part of the Housing System. The College has also created and established a special fund of the College, known as the "College Housing Fund," which fund shall be held in the custody of the College Controller separate and apart from all other funds of the College. So long as any of the Bonds authorized by this resolution and any Future Parity Bonds are outstanding, the College Housing Fund shall be maintained in a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and shall be expended and used by the Controller only in the manner and order specified in this resolution.

The College covenants that the Gross Revenue of the Housing System shall be deposited to the credit of the College Housing Fund. The Gross Revenue of the Housing System and the College Housing Fund are pledged irrevocably to the payments required by this resolution, and the Bonds and Future Parity Bonds, if any, shall constitute a charge or lien upon the Gross Revenue of the Housing System and the College Housing Fund prior and superior to any other charges whatsoever, except Operating and Maintenance Expenses.

Section 12. Use of Surplus Revenues. Subject to making the deposits specified in Sections 9 and 11 of this resolution, the College shall use the surplus funds on deposit in the College Housing Fund for the payment of the cost of development of or acquisition of College housing facilities or providing movable equipment and furnishings therefor. To the extent not needed for said purposes, such surplus revenues may be used by the College for any other lawful purpose, including the redemption of Housing System bonds by purchase or redemption, provided that the College is then in compliance with the coverage covenant contained in subparagraph A of Section 14 of this resolution.

Section 13. Future Parity Bonds. The College shall have the right to add new College housing and related student facilities to the Housing System and/or to refund by exchange or purchasing and retiring or advance refunding by call and payment at or prior to their maturity any part or all of the outstanding Bonds or Future Parity Bonds by the issuance of one or more additional series of Future Parity Bonds, provided in each instance that all of the following conditions are satisfied:

- (1) The facility or facilities to be acquired or constructed with the proceeds of the Future Parity Bonds is or are to be made part of the Housing System

and its or their revenues are pledged as additional security for the Bonds and Future Parity Bonds;

(2) The College is in full compliance with all covenants and undertakings in connection with all of its College housing bonds then outstanding;

(3) The resolution authorizing any Future Parity Bonds shall require that the additional amount necessary to satisfy the Reserve Requirement because of the issuance of such Future Parity Bonds be paid into the Bond Fund from the proceeds of such Future Parity Bonds and/or within five years from the date of issuance of such Future Parity Bonds in five approximately equal annual payments from Net Revenue of the Housing System.

(4) The Net Revenue of then-existing Housing System for the fiscal year next preceding the year in which Future Parity Bonds would be issued are certified by an independent public accountant, retained by the College, to have been equal to at least 1.50 times the Maximum Annual Debt Service on all outstanding series of College housing bonds payable from the Bond Fund, except that if the additional bonds proposed to be so issued are for the sole purpose of refunding outstanding Bonds or Future Parity Bonds, such certificate shall not be required if the Maximum Annual Debt Service requirement for the refunding bonds is decreased from the maximum amount required for the bonds to be refunded thereby and the maturities of the refunding bonds are not extended beyond the maturities of the bonds to be refunded thereby; and

(5) The estimated annual Net Revenue of the facility or facilities to be constructed or acquired with the proceeds of such additional Housing System Bonds, when added to the estimated future annual Net Revenue of the then-existing Housing System, shall equal at least 1.50 times Maximum Annual Debt Service on all series of Housing System bonds then outstanding and on the additional Housing System bonds to be issued. Computation of future Net Revenue of then-existing Housing System shall be based on Net Revenue of the Housing System for the fiscal year next preceding the issuance of Future Parity Bonds as adjusted, if necessary, to reflect the schedule of rates and charges to become effective in the succeeding fiscal year and after giving recognition to any anticipated changes in Operating and Maintenance Expenses thereof.

Nothing contained in the provisions for Future Parity Bonds shall prevent the College from issuing revenue bonds or other obligations having a subordinate claim or lien on the Gross Revenue of the Hospital System to that of the Bonds and any Future Parity Bonds. The fact of such subordination shall be stated on each such bond.

Section 14. Covenants. The College covenants and agrees with the owner of each Bond at any time outstanding as follows:

A. Rates and Charges. That it will establish and maintain, so long as any bonds payable from the Bond Fund are outstanding, such parietal rules, rental rates and charges for the use of Housing System facilities the Gross Revenue of which are pledged under this resolution as may be necessary: (1) to assure maximum occupancy and use of such facilities and (2) to produce sufficient funds for payment of Operating and

Maintenance Expenses of such facilities, payment of Annual Debt Service on such bonds and the accumulation and maintenance of required reserves therefor; and (3) to generate Net Revenues each fiscal year which shall be equal to at least 1.50 times Maximum Annual Debt Service, including in such computation only those bonds where the facilities constructed with the particular issue of bonds have been in operation for at least one full fiscal year.

B. Sale of Facilities. That, so long as any bonds payable from the Bond Fund are outstanding, it will not sell or otherwise dispose of any of the facilities of the Housing System whose revenues are pledged to the payment of such bonds, or any part thereof, and except as provided for in Section 13, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of such bonds. Notwithstanding the foregoing, the College may at any time permanently abandon the use of, or sell at fair market value any of, such facilities, provided that, (1) it is in full compliance with all covenants and undertakings in connection with all bonds then outstanding and payable from the Bond Fund and the Reserve Account is fully funded; (2) it will, in the event of sale, apply the proceeds either to redemption of outstanding bonds payable from the Bond Fund, or to replacement of the facilities so disposed of by another facility the revenues of which shall be incorporated into the Housing System as hereinbefore provided; and (3) it certifies that the estimated Net Revenues of the remaining facilities whose revenues are pledged to the payment of such bonds for the then next succeeding fiscal year, plus the estimated Net Revenues of the facility, if any, to replace the facility to be abandoned, satisfy the coverage covenant hereinbefore provided in subparagraph A of Section 14.

C. Ownership of Land. That it is the owner in fee simple of the tracts and parcels of the real property upon which the various facilities of the Project are to be constructed.

D. Casualty Insurance. That, upon sale of the Bonds, the College will self-insure in such manner and to such extent as the College shall determine to be necessary and appropriate or, to the extent insurance coverage is available at reasonable cost with responsible insurers, will carry fire and extended coverage insurance (or, with respect to the Project prior to its acceptance from the contractor, builder's risk insurance) on the Project and on any other of its Housing System facilities the revenues of which are pledged to secure the Bonds. The foregoing fire and extended coverage insurance shall include use and occupancy coverage and be maintained in amounts sufficient to provide for recovery of not less than 90 percent of the full insurable replacement value of the Housing System facilities. In the event of any damage to or destruction of any such building or buildings, the College shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or use the insurance proceeds to redeem outstanding bonds to the extent of those proceeds at the first date at which bonds may be called at par.

E. Boiler Insurance. That, upon sale of the Bonds, the College shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds is outstanding, boiler insurance covering any steam boilers servicing the Project and any other of its Housing System facilities, including use and occupancy coverage, in a minimum amount of _____ Dollars (\$_____); provided, however, that the foregoing requirement shall be suspended when, and for so long as, the State of Washington acts in the capacity

of a self-insurer with respect to the boilers serving College Housing System facilities. At all other times, the provisions of this subsection E shall extend to all pledged facilities, including the Project.

F. Public Liability Insurance. That, prior to or at the time the Bonds are sold to the purchasers thereof, the College will self-insure or, to the extent insurance coverage is available at reasonable cost with responsible insurers, will carry, so long as any Bonds are outstanding, comprehensive general public liability insurance against liability for injuries to persons and/or property with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence to any one person for personal injury, with an accrued aggregate limitation of liability of not less than \$3,000,000, and \$100,000 liability to any one person for property damage, to protect the College from claims for bodily injury or death or property damage which may arise from the operation of the Housing System facilities, including any use or occupancy of its grounds, structures, and vehicles, including any owned and nonowned vehicles operated for the benefit of the Housing System facilities; provided, that the foregoing requirement shall be suspended when, and for so long as, the State of Washington acts in the capacity of a self-insurer with respect to comprehensive public liability protection of the College.

G. Payment of Bonds. That it will duly and punctually pay or cause to be paid the principal of each Bond and the interest thereon on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

H. Payment of Claims. That it will at all times preserve the priority and security of the Bonds issued pursuant to this resolution, and will pay all lawful claims for labor, materials,

and supplies which, if unpaid, might become a lien or charge upon the Project, provided, that the College may contest liens and charges in good faith by appropriate proceedings so long as a bond is filed if necessary to avoid a substantial risk of foreclosure on a material part of the Project.

I. Good Repair. That it will at all times maintain, preserve, and keep the Housing System facilities in good repair, working order and condition and, when necessary, make all needful and proper repairs, renewals, replacements, additions, betterments and improvements thereto, so that the operation of such facilities will be properly and advantageously conducted at all times.

J. Inspection of Project. That at all reasonable times it will permit the owner of ten percent (10%) or greater in principal amount of the Bonds then outstanding to inspect the Project or any facility thereof.

K. Accounts and Records. That it will keep accurate financial records and proper books relating to the Housing System and the College Housing Fund, and such records and books shall be open to inspection by the Bond owners and their properly certified agents and representatives at any reasonable time. The College further covenants that not later than one hundred eighty (180) days after the close of each fiscal year, it will furnish to any Bond owner who shall request the same in writing copies of audit reports or financial statements prepared by an independent public accountant, state auditing official, or employee of the College, reflecting in reasonable detail the financial condition and record of operation of the College Housing System and the College Housing Fund, including particularly the College's enrollment, the occupancy or degree of the use of and rates charged for the use of, and the insurance on, College housing and the status of the several

funds and accounts required by this resolution; and not later than January 1 following the close of each fiscal biennium, it will furnish any Bond owner who shall request the same in writing, copies of audit reports prepared by an independent public accountant or state auditing official reflecting in reasonable detail the financial condition and record of operation of the College, including a statement of the extent to which the College has complied with the coverage requirement.

L. Parity Bond Covenants. That each resolution authorizing parity bonds shall include the protective covenants applying to the Bonds, including the semiannual deposits to the Bond Fund for principal and interest, maintenance of the Reserve Requirement in the Reserve Account, and accruals to the Repair and Replacement Account in the manner required for the Bonds.

M. Non-Arbitrage and Arbitrage Rebate Covenants. The College covenants that it will neither make nor permit any use of proceeds of the Bonds or other funds of the College at any time during the term of the bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the United States Internal Revenue Code of 1986 and applicable regulations promulgated thereunder. Further, the College covenants that, if all proceeds of the Bonds have not been spent within six months from the date of issuance of the bonds, the College will calculate, or cause to be calculated, and rebate to the United States all earnings from the investment of Bond proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the bonds, plus all income derived from such excess earnings, to the extent and in the manner required by Section 148 of such Code and such applicable regulations.

The College has not been notified of any listing or purposed listing by the Internal Revenue Service to the effect

that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 15. Investments. Money in the Bond Fund may be invested in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government, or in any other legal investment permitted for College funds. The investment of such funds shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 16. Advance Refunding of Bonds. The College may issue advance refunding bonds pursuant to the laws of the State of Washington and use money available from any other lawful source to pay the principal of and interest on the Bonds, or such portion thereof included in a refunding or defeasance plan, as the same become due and payable and to redeem and retire, release or refund all such then-outstanding Bonds (hereinafter collectively called the "defeased Bonds") and to pay the costs of such refunding or defeasance. In the event that money and/or Government Obligations, or other legal investments sufficient in amount, together with known earned income from the investments thereof, to redeem and retire, release or refund the defeased Bonds in accordance with their terms, are set aside irrevocably in a special fund for and pledged irrevocably to such redemption and retirement (hereinafter called the "trust account"), then all right and interest of the owners of the defeased Bonds in the covenants of this resolution and, except as hereinafter provided, in the Gross Revenue of the Housing System and the funds and accounts obligated to the payment of such defeased Bonds, including the College Housing Fund, other than the right to receive the funds so set aside and pledged, thereafter shall cease and become void, and except with respect to the provisions of subparagraph M of Section 14. Such owners thereafter shall

have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account and, in the event the funds in the trust account are not available for such payment, shall have the residual right to receive payment of the principal of and interest on the defeased Bonds from the Gross Revenue of the Housing System without any priority of lien or charge against that revenue or covenants with respect thereto except to be paid therefrom.

After the establishing and full funding of such trust account, the College then may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine, subject only to the rights of the owners of any other Bonds or bonds then outstanding.

In the event that the refunding plan provides that the defeased Bonds or the refunding bonds to be issued be secured by cash and/or Government Obligations or other legal investments pending the prior redemption of the defeased Bonds and if such refunding plan also provides that certain cash and/or Government Obligations or other legal investments are pledged irrevocably for the prior redemption of the defeased Bonds included in that refunding plan, then only the debt service on the Bonds which are not defeased Bonds and the refunding bonds, the payment of which is not so secured by the refunding plan, shall be included in the computation of the Coverage Requirement for the issuance of Future Parity Bonds and the annual computation of coverage for determining compliance with the rate covenants.

Section 17. Amendatory and Supplemental Resolutions.

A. Provisions Exclusive. This resolution shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this section.

B. Amendments Without Consent of Bondowners. The College may from time to time, and at any time, without the consent of or notice to the registered owners of the Bonds, pass supplemental or amendatory resolutions as follows:

(1) To cure any formal defect, omission, inconsistency or ambiguity in this resolution in a manner not adverse to the owner of any Bonds or Future Parity Bonds;

(2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this resolution as theretofore in effect;

(3) To add to the covenants and agreements of, and limitations and restrictions upon, the College in this resolution, other covenants, agreements, limitations and restrictions to be observed by the College which are not contrary or inconsistent with this resolution as theretofore in effect;

(4) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this resolution of any other money, securities or funds;

(5) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this resolution regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature; and

(6) To modify, alter, amend or supplement this resolution in any other respect which is not materially adverse to the registered owners of the Bonds and which does not involve:

(i) A change in the times, amounts or currency of payment of the principal of or interest on any outstanding Bond, or a reduction in the principal amount of redemption price of any outstanding Bond or a change in the method or redemption price of any outstanding Bond or a change in the method of determining the rate of interest thereon, or

(ii) A preference of priority of any Bond or Bonds or any other bond or bonds.

(7) To comply with any requirement of federal law as necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Before the College shall adopt any such supplemental resolution pursuant to this paragraph, there shall have been delivered to the College and the Bond Registrar an opinion of bond counsel to the College, stating that such supplemental resolution is authorized or permitted by this resolution and will, upon the execution and delivery thereof, be valid and binding upon the College in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bonds.

C. Effect of Amendments. Upon the execution and delivery of any supplemental resolution pursuant to the provisions of this section, this resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the College, the Bond Registrar and all registered owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced under this resolution subject in all respects to such modifications and amendments.

Section 18. Sale of Bonds. Seattle-Northwest Securities Corporation of Seattle, Washington, has presented a purchase contract dated _____, 1987 (the "Purchase Contract"), to the College offering to purchase the Bonds under the terms and conditions provided in the Purchase Contract, which written

Purchase Contract is on file with the Secretary of the Board of Trustees of the College and is incorporated herein by this reference. The Board of Trustees of the College, finding that it is in the best interest of the College to enter into the Purchase Contract, accepts the offer contained in the Purchase Contract.

The Bonds will be printed at College expense and will be delivered to the purchaser in accordance with the Purchase Contract, with the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, relative to the issuance of the Bonds, printed on each Bond. Bond counsel has not been retained to and shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds, and bond counsel's opinion shall so state.

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

Section 19. Temporary Bond. Pending the printing, execution and delivery to the purchaser of the definitive Bonds, the College may cause to be executed and delivered to such purchaser a single temporary Bond in the principal amount of the Bonds. Such temporary Bond shall bear the same date of issuance, interest rates, principal payment dates and terms and covenants as the definitive Bonds, and shall be issued as a fully registered bond in the name of such purchaser, and shall be in such form as acceptable to such purchaser. Such temporary Bond shall be exchanged for the definitive Bonds as soon as the same are printed, executed and available for delivery.

Section 20. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the College and the owners of the Bonds upon the issuance and sale of the Bonds.

Section 21. Severability. If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity of the same shall not affect any of the remaining provisions of this Resolution.

ADOPTED AND APPROVED by the Board of Trustees of The Evergreen State College at a meeting thereof duly and regularly called and held as required by law on the ____ day of _____, 198__.

THE EVERGREEN STATE COLLEGE

By _____
Chairman, Board of Trustees

ATTEST:

By _____
Secretary, Board of Trustees

0641e

I, _____, Secretary of the Board of Trustees of The Evergreen State College, hereby certify that the attached copy of Resolution No. _____ is a true and correct copy of the original Resolution adopted on the ____ day of _____, 19__, as that Resolution appears on the Minute Book of the Board of Trustees of the College.

DATED this ____ day of _____, 198__.

Secretary, Board of Trustees

0641e

I, George E. Mante, Secretary of the Board of Trustees of The Evergreen State College, hereby certify that the attached copy of Resolution No. 3-87 is a true and correct copy of the original Resolution adopted on the 11th day of March, 1987, as that Resolution appears on the Minute Book of the Board of Trustees of the College.

DATED this 11th day of March, 1987.

George E. Mante
Secretary, Board of Trustees

RESOLUTION NO. 3-87

A RESOLUTION of the Board of Trustees of The Evergreen State College adopting a system of registration of bonds and obligations of the College.

WHEREAS, Section 149(a) of the Internal Revenue Code of 1986 requires municipal bonds and obligations offered to the public, having a maturity of more than one year and issued after June 30, 1983, to be in registered form as a condition of the exemption from federal income taxation of the interest on those bonds and obligations; and

WHEREAS, RCW 39.46.030 authorizes State educational institutions to establish a system of registering the ownership of their bonds or obligations as to principal and interest, or principal only;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of The Evergreen State College, as follows:

Section 1. Definitions. The following words shall have the following meanings when used in this resolution:

- a. "Bond" or "bonds" shall have the meaning defined in RCW 39.46.020(1), as the same may be from time to time amended.
- b. "College" shall mean The Evergreen State College.
- c. "Fiscal agencies" shall mean the duly appointed fiscal agencies of the State of Washington serving as such at any given time.
- d. "Obligation" or "obligations" shall have the meaning defined in RCW 39.46.020(3), as the same from time to time may be amended.
- e. "Registrar" shall mean the person or persons designated by the College to register ownership of bonds or obligations under this resolution.

Approved March 11, 1987

Section 2. Findings. The Board of Trustees of the College finds that it is in the College's best interest to establish a system of registering the ownership of the College's bonds and obligations in the manner permitted by law.

Section 3. Adoption of Registration System. The College adopts the following system of registering the ownership of its bonds and obligations.

a. Registration Requirement. All bonds and obligations offered to the public, having a maturity of more than one year and issued by the College after June 30, 1983, on which the interest is intended to be exempt from federal income taxation, shall be registered as to both principal and interest as provided in this resolution.

b. Method of Registration. The registration of all College bonds and obligations required to be registered shall be carried out either by

1) a book entry system of recording the ownership of the bond or obligation on the books of the College or the fiscal agencies, whether or not a physical instrument is issued; or

2) recording the ownership of the bond or obligation and requiring as a condition of the transfer of ownership of any bond or obligation the surrender of the old bond or obligation and either the reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owners.

No transfer of any bond or obligation subject to registration requirements shall be effective until the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the registrar, shall be recorded on the books of the registrar.

c. Denominations. Except as may be provided otherwise by the resolution authorizing their issuance, registered bonds or obligations may be issued and reissued in any denomination up to the outstanding principal amount of the bonds or

obligations of which they are a part. Such denominations may represent all or a part of a maturity or several maturities and on reissuance may be in smaller amounts than the individual denominations for which they are reissued.

d. Appointment of Registrar. Unless otherwise provided in the resolution authorizing the issuance of registered bonds or obligations, the Controller of the College shall be the registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases and other registered bonds or obligations not usually subject to trading and without a fixed maturity date or maturing one year or less after issuance and the fiscal agencies shall be the registrar for all other College bonds and obligations without a fixed maturity date or maturing one year or more after issuance.

e. Duties of Registrar. The registrar shall serve as the College's authenticating trustee, transfer agent, registrar and paying agent for registered bonds and obligations for which he, she, or it serves as registrar and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties.

The rights, duties, responsibilities and compensation of the registrar shall be prescribed in each resolution authorizing the issuance of the bonds or obligations, which rights, duties, responsibilities and compensation shall be embodied in a contract executed by the Controller and the registrar, except in instances when the fiscal agencies serve as registrar, the College adopts by reference the contract between the State Finance Committee of the State of Washington and the fiscal agencies in lieu of executing a separate contract and prescribing by resolution the rights, duties, obligations and compensation of the registrar. When the Controller serves as registrar, a separate contract shall not be required.

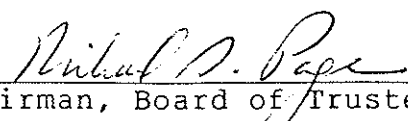
In all cases when the registrar is not the fiscal agencies and the obligation is assignable, the resolution authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of

- 1) making payments of principal and interest;
- 2) printing any physical instruments, including the use of identifying numbers or other designation;
- 3) specifying record and payment dates;
- 4) determining denominations;
- 5) establishing the manner of communicating with the owners of the bonds or obligations;
- 6) establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;
- 7) registering or releasing security interests, if any; and
- 8) such other matters pertaining to the registration of the bonds or obligations authorized by such resolution as the College may deem to be necessary or appropriate.

Section 4. Statement of Transfer Restrictions. Any physical instrument issued or executed by the College subject to registration under this resolution shall state on its face that the principal of and interest on the bonds or obligations shall be paid only to the owner thereof registered as such on the books of the registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the registrar.

ADOPTED AND APPROVED by the Board of Trustees of The Evergreen State College at a meeting thereof duly and regularly called and held as required by law on this 11th day of March, 1987.

THE EVERGREEN STATE COLLEGE


Chairman, Board of Trustees

George E. Mante

George E. Mante

George E. Mante

Richard D. Page

Richard D. Page

Richard D. Page

4/3/87

5/13/87

6/22/87