

THE EVERGREEN STATE COLLEGE

RESOLUTION NO. 2006-01

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE EVERGREEN STATE COLLEGE AUTHORIZING THE ISSUANCE AND SALE OF HOUSING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2006, OF THE COLLEGE IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,500,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING HOUSING SYSTEM REVENUE BONDS OF THE COLLEGE AND PAYING THE COSTS OF CERTAIN IMPROVEMENTS THERETO; PROVIDING FOR THE REDEMPTION OF THE OUTSTANDING BONDS TO BE REFUNDED; AUTHORIZING THE SALE OF THE BONDS AND THE PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT; SETTING FORTH CERTAIN PROTECTIVE COVENANTS; AND AUTHORIZING THE DESIGNATED COLLEGE REPRESENTATIVE TO DETERMINE THE MANNER OF SALE OF THE BONDS, APPROVE THE FINAL PRINCIPAL AMOUNT, DATE OF THE BONDS, INTEREST RATES, REDEMPTION PROVISIONS, MATURITY DATES AND PRINCIPAL MATURITIES FOR THE BONDS AND NEGOTIATE AN AGREEMENT FOR CONTINUING DISCLOSURE UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

ADOPTED: January 11, 2006

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THE EVERGREEN STATE COLLEGE

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* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this resolution.

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WHEREAS, The Evergreen State College, a state college of the State of Washington (the “College”), maintains a housing system (hereinafter defined as the “System”) which is in need of expansion, renovation and improvement from time to time; and

WHEREAS, the College is authorized by RCW 28B.10.300 to acquire, construct and operate dormitories and facilities for housing students, faculty and employees and to borrow money and issue revenue bonds in order to finance and refinance the costs of these facilities; and

WHEREAS, the College has authorized the issuance of housing system revenue bonds in one or more series pursuant to Resolution No. 94-4, adopted on May 11, 1994 (the “1994 Master Resolution”); and

WHEREAS, the bonds authorized under the 1994 Master Resolution are payable from Net Revenues (as such term is defined in the 1994 Master Resolution); and

WHEREAS, the College has issued and has outstanding its Housing System Revenue Refunding Bonds, Series 1994, issued in the original principal amount of \$6,565,000 and remaining outstanding, as follows

<u>Maturity Years (March 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2006	\$ 555,000	5.600%
2007	595,000	5.700
2008	395,000	5.800
2009	420,000	5.875

(the “1994 Bonds”); and

WHEREAS, the 1994 Bonds are subject to redemption at the option of the College on and after March 1, 2006 at a price of par; and

WHEREAS, in order to restructure future debt service payments, it is necessary to refund the 1994 Bonds maturing after March 1, 2006 (the “Refunded Bonds”) through the issuance of revenue refunding bonds in the aggregate principal amount of not to exceed \$1,625,000 (“Refunding Bonds”); and

WHEREAS, upon the refunding of the Refunded Bonds, the terms of the 1994 Master Resolution may be updated and modernized with the terms of this resolution; and

WHEREAS, the facilities of the System are in need of certain capital upgrades and improvements, which may be financed with revenue bonds in the aggregate principal amount of not to exceed \$6,880,000 (“Improvement Bonds” and together with the Refunding Bonds, the “Series 2006 Bonds”); and

WHEREAS, the Board wishes to delegate authority to the Designated College Representative to determine the manner of sale of the Series 2006 Bonds, the approval of the final principal amount of the bonds, interest rates, principal maturities and redemption provisions of such bonds to be fixed under such terms and conditions as are approved by this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE EVERGREEN STATE COLLEGE, as follows:

Section 1. Definitions and Interpretation.

(a) **Definitions.** Unless otherwise defined herein, the terms used in this resolution, including the preamble hereto, shall have the following meanings:

Accreted Value means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the resolution authorizing the issuance of Capital Appreciation Bonds as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Capital Appreciation Bonds plus the amount of discounted principal which has accreted since the date of issue. In each case the Accreted Value shall be determined in accordance with the provisions of the resolution authorizing the issuance of such Capital Appreciation Bonds.

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

Aggregate Annual Debt Service means the total dollar amount of Annual Debt Service for all Outstanding Parity Bonds in any fiscal year or Base Period .

Annual Debt Service means the total amount of Debt Service for any Parity Bond or series of Parity Bonds in any fiscal year or Base Period.

Approved Bid means the winning bid submitted for the Series 2006 Bonds if the Series 2006 Bonds are sold by Competitive Sale.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2006 Bonds (including persons holding Series 2006 Bonds through nominees, depositories or other intermediaries).

Balloon Maturity Bonds means any Parity Bonds which are so designated in the Bond Purchase Contract (or bond purchase contract with respect to Future Parity Bonds), the Approved Bid (or approved bid for Future Parity Bonds sold by competitive sale) or the resolution pursuant to which such Parity Bonds are issued. Commercial paper (obligations with a maturity of not more than 270 days from the date of issuance) shall be deemed to be Balloon Maturity Bonds.

Base Period means any consecutive 12-month period selected by the College out of the 30-month period next preceding the date of issuance of an additional series of Parity Bonds.

BMA Municipal Swap Index means the Bond Market Association Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by the Bond Market Association; *provided*, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then BMA Municipal Swap Index shall mean such other reasonably comparable index selected by the Designated College Representative.

Board means the Board of Trustees of the College, or any successor thereto as provided by law.

Bond Fund means The Evergreen State College Housing System Revenue Bond Fund maintained by the Treasurer of the College as authorized by Section 8 of this resolution.

Bond Insurance Policy means the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Series 2006 Bonds as provided therein.

Bond Purchase Contract means, if the Series 2006 Bonds shall be sold by Negotiated Sale, the purchase contract relating to the Series 2006 Bonds between the College and the Underwriter.

Call Date means the date selected by the Treasurer of the College for the redemption of the Refunded Bonds, which selection shall be deemed final upon the execution and delivery of the Escrow Agreement..

Certificate Period means a period commencing with the year of issuance of the proposed series of Parity Bonds and ending with the date on which Outstanding Parity Bonds and the Future Parity Bonds then proposed to be issued will no longer be Outstanding.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Capital Appreciation Bonds means Parity Bonds all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Parity Bonds. If so provided in the resolution authorizing their issuance, Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which

Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.

College means The Evergreen State College, a state college in Thurston County.

Competitive Sale means the process by which the Series 2006 Bonds are sold through the public solicitation of bids from underwriting firms.

Consultant means at any time an independent consultant recognized in education finance matters, or recognized in management of similar systems for institutions of higher education other expert appointed by the Designated College Representative to perform the duties of the Consultant as required by this resolution.

Costs of Construction means all costs paid or incurred by the College in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the System, and the placing of the same in operation, including, but without limiting the generality of the foregoing, paying all or a portion of the interest on the series of Parity Bonds or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements, and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such series of Parity Bonds from the proceeds thereof; paying or reimbursing the System or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of said improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of said additions and improvements, the financing of the same and the placing of the same in operation.

A **Credit Event** occurs when (a) a Qualified Letter of Credit terminates, (b) the issuer of Qualified Insurance or a Qualified Letter of Credit shall become insolvent or no longer be in

existence, or (c) a Qualified Letter of Credit or Qualified Insurance no longer meets the requirements established therefor in the definition thereof.

Credit Facility means a policy of municipal bond insurance, a letter of credit, surety bond, guarantee or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations of the College, including but not limited to payment of the scheduled principal of and interest on Parity Bonds.

Credit Facility Issuer means the issuer of any Credit Facility.

Debt Service means, for any period of time,

(a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds, the principal amount thereof shall be equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount of such Outstanding Fixed Rate Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such Outstanding Fixed Rate Bonds, plus (3) all interest payable during such period on any such Fixed Rate Bonds Outstanding and with respect to Fixed Rate Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Fixed Rate Bonds on the date specified in the resolution authorizing such Fixed Rate Bonds or the bond purchase contract or the approved bid with respect thereto;

(c) with respect to Balloon Maturity Bonds, an amount for any period equal to the amount which would have been payable for principal and interest on such Balloon Maturity Bonds during such period computed on the assumption that the amount of Balloon Maturity Bonds Outstanding as of the date of such computation would be amortized on an essentially level debt service basis during the period such Balloon Maturity Bonds are Outstanding; and

(d) with respect to all other Parity Bonds, including Parity Bonds bearing variable rates of interest and Commercial Paper, an amount for any period equal to the amount which would be payable (1) as principal on such Parity Bonds during such period (computed on the assumption that the amount of such Parity Bonds Outstanding as of the date of such computation would be amortized in accordance with the mandatory redemption provisions, if any, authorized or approved in the resolution authorizing the issuance of such Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance to provide for essentially level annual debt service during such period) plus (2) interest at an interest rate equal to (A) the 10-year average of the BMA Municipal Swap Index, plus (B) 1.5%..

Debt Service also shall be net of any principal and/or interest (not including any amount deposited in any reserve account for payment of principal and/or interest) funded from proceeds of any Parity Bonds or from earnings thereon. Debt Service shall include reimbursement obligations (and interest accruing thereon) then owing to any Credit Facility Issuer to the extent authorized in a written agreement with the Credit Facility Issuer or in another resolution.

Debt Service Account means the account of that name maintained in the Bond Fund as authorized by Section 8 of this resolution.

Designated College Representative means the President of the College or his or her designee or such other person as may be directed from time to time by resolution of the Board.

Disclosure Agreement means the commitment of the College to comply with the ongoing disclosure requirements of the Rule with respect to the Series 2006 Bonds.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2006 Bonds pursuant to Section 6 hereof.

Escrow Agent means the escrow agent as selected by the Designated College Representative in accordance with Section 21 of this resolution.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Series 2006 Bonds substantially in the form attached hereto as Exhibit A.

Fixed Rate Bonds means those Parity Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or Balloon Maturity Bonds issued under a resolution in which the rate of interest on such Parity Bonds is fixed and determinable through their final maturity or for a specified period of time. If so provided in the resolution authorizing their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

Future Parity Bonds means those revenue bonds or other revenue obligations which may be issued by the College in the future as Parity Bonds.

Government Obligations means obligations defined as such in Chapter 39.53 RCW as now or hereafter amended.

Gross Revenue means all income and revenue derived by the College from time to time from any source whatsoever, from the ownership and operation of the System, including rentals,

fees, charges, special student fees charged to all or any segment of the student population, if pledged to the System, and including interest income, but shall not include:

(a) the proceeds of any borrowing by the College and the earnings thereon (other than earnings on proceeds deposited in reserve funds),

(b) income and revenue which may not legally be pledged for revenue bond debt service,

(c) state or federal grants or substitutes therefor allocated to capital projects;

(d) payments made under Credit Facilities issued to pay or secure the payment of a particular series of Bonds;

(e) proceeds of insurance or condemnation proceeds other than business interruption insurance;

(f) income and revenue of the System separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the College issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that nothing in this subparagraph (f) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the College from any income producing facility which shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds; and

(g) income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the College.

Any other available revenues pledged by a resolution also shall be deemed to be a part of Gross Revenues.

Improvement Bonds means the revenue bonds to be issued pursuant to this resolution to finance the costs of the Projects in the aggregate principal amount of not to exceed \$6,880,000.

Insurer means such bond insurance company, if any, from which a Bond Insurance Policy may be acquired for the Series 2006 Bonds, in accordance with this resolution.

Letter of Representations means a blanket issuer letter of representations from the College to DTC.

Maximum Annual Debt Service means, with respect to the Outstanding Parity Bonds, the highest remaining Annual Debt Service for such Outstanding Parity Bonds.

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

Negotiated Sale means the process by which the Series 2006 Bonds are sold by negotiation to one or more underwriting firms selected by the Designated College Representative.

Net Proceeds, when used with reference to the Series 2006 Bonds, mean the face amount of the Series 2006 Bonds, plus accrued interest and original issue premium, if any, and less original issue discount and proceeds deposited into the Reserve Account, if any.

Net Revenues means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

1994 Bonds means the Housing System Revenue Bonds, Series 1994 of the College issued pursuant to Resolution Nos. 94-3 and 94-4, issued under date of June 1, 1994, and presently outstanding in the aggregate principal amount of \$1,965,000.

NRMSIR means a nationally recognized municipal securities information repository for purposes of the Rule.

Official Notice of Sale and Bid Form means, if the Series 2006 Bonds shall be sold by Competitive Sale, the notice of bond sale and bid form authorized to be given in Section 13 of this resolution.

Operating Expenses means the current expenses incurred for operation or maintenance of the System (other than Special Facilities), as defined under generally accepted accounting principles, including an allocable share of insurance expenses and other administrative expenses of the College directly applicable to the operation of the System, as in effect from time to time, excluding any allowances for depreciation or amortization or interest on any obligations of the System incurred in connection with and payable from Gross Revenue. **Operating Expenses** also shall exclude general administrative expenses of the College, not directly applicable to the System through the application of generally accepted accounting principles.

Original Issue Discount Bonds means Parity Bonds which are sold at an initial public offering price of less than 90% of their face value and which are specifically designated as Original Issue Discount Bonds in the resolution authorizing their issuance or in the approved bid or bond purchase contract with respect to such Original Issue Discount Bonds.

Outstanding means, as of any date, any Parity Bonds theretofore issued except such Parity Bonds deemed to be no longer Outstanding as provided in the resolution authorizing the issuance thereof.

Parity Bonds means any revenue obligations issued by the College having a lien upon the Net Revenues for the payment of the principal thereof and interest thereon equal to the lien created upon Net Revenues for the payment of the principal of and interest on the Series 2006 Bonds, and the term **Parity Bonds** shall mean and include the Series 2006 Bonds and any Future

Parity Bonds. The term ***Parity Bonds*** may include reimbursement obligations of the College to a Credit Facility Issuer.

Paying Agent shall mean any person, firm, association, corporation or public body as designated and appointed from time to time by resolution of the Board to act as paying agent for one or more series of Parity Bonds.

Private Person means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

Private Person Use means the use of property in a trade or business by a private person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the private person as well as other arrangements that transfer to the private person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the private person apart from the general public. Use of property as a member of the general public includes attendance by the private person at municipal meetings or business rental of property to the private person on a day-to-day basis if the rental paid by such private person is the same as the rental paid by any private person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial and utility expenses.

Project Fund means the 2006 Housing Capital Projects Fund authorized to be established by Section 20(b) of this resolution.

Projects mean the capital improvements to the System authorized to be undertaken by Section 2 of this resolution.

Qualified Insurance means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (i) which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability or (ii) if as a result of the issuance of its policies, the obligations insured thereby to be rated in one of the two highest Rating Categories by one or more of the Rating Agencies.

Qualified Letter of Credit means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

Rate Covenant means for each fiscal year of the College, Net Revenues in each such fiscal year at least equal to the greater of (a) 125% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on Outstanding Parity Bonds, or (b) amounts required to be deposited during such fiscal year from Net Revenues into bond funds and reserve funds established for Outstanding Parity Bonds, but excluding from each of the foregoing, payments made from refunding debt and capitalized debt service.

Rating Agencies means Moody's Investors Service or its successors and assigns, Standard & Poor's Ratings Group or its successors and assigns, Fitch Inc. or its successors and

assigns and/or such other securities rating agency selected by the Designated College Representative to provide a rating with respect to a series of Parity Bonds, or any portion thereof.

Rating Category means the generic rating categories of the Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Refunded Bonds means the 1994 Bonds maturing after March 1, 2006.

Refunding Account means the account by that name established within the bond fund for the Refunded Bonds pursuant to Section 21 of this resolution.

Refunding Bonds means the revenue bonds issued pursuant to this resolution for the purposes of refunding the Refunded Bonds in the aggregate principal amount of not to exceed \$1,625,000.

Registered Owner means the person named as the registered owner of a Series 2006 Bond in the Bond Register. The Registered Owner shall be deemed to be the owner of all the Series 2006 Bonds, except for the purposes of Sections 14 and 22 of this resolution.

Registrar means, collectively, the fiscal agency of the State of Washington appointed by this resolution for the purposes of registering and authenticating the Series 2006 Bonds, maintaining the Bond Register, and effecting transfer of ownership of the Series 2006 Bonds.

Reserve Account means the account of that name maintained in the Bond Fund as authorized by Section 8 of this resolution.

Reserve Account Requirement means the lesser of (a) maximum Annual Debt Service with respect to Outstanding Parity Bonds, or (b) 125% of average Annual Debt Service with respect to Outstanding Parity Bonds or (c) 10% of the initial principal amount of each series of Outstanding Parity Bonds. The Reserve Account Requirement shall be determined and

calculated as of the date of issuance of each series of Parity Bonds (and recalculated upon the issuance of a subsequent series of Parity Bonds and also, at the College's option, upon the payment of principal of Parity Bonds).

Revenue Fund means, collectively, the College's Housing Revenue Fund and any other fund established in the office of the Treasurer for the receipt of Gross Revenues.

Rule means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SEC means the United States Securities and Exchange Commission.

Series 2006 Bonds mean The Evergreen State College, Housing System Revenue and Refunding Bonds, Series 2006, authorized to be issued by Section 3 of this resolution and shall include the Improvement Bonds and the Refunding Bonds.

SID means any public or private repository or entity designated by the State of Washington as the state repository for the purposes of the Rule and recognized as such by the SEC. As of the date of adoption of this resolution, there is no such state repository.

Special Facilities means particular facilities financed with the proceeds of Special Revenue Bonds.

Special Revenue Bonds means any issue or series of revenue bonds, revenue warrants or other revenue obligations of the College issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities and which are payable from and secured by the income and revenue from such facilities.

Surety Bond means the surety bond, if any, issued by the Insurer on the date of issuance and delivery of the Series 2006 Bonds for the purpose of satisfying the Reserve Account Requirement.

Surety Bond Agreement means the agreement, if any, pursuant to which the Surety Bond is issued.

System means the existing housing system of the College as the same shall be added to, improved and extended out of the proceeds of the sale of Parity Bonds and as such System may be added to, improved and extended, for as long as Parity Bonds are Outstanding. The System currently includes the following facilities:

<u>Building/Facility</u>	<u>Built In</u>	<u>Capacity</u>
Buildings A, B, C & D	1971	434
Buildings E, F, G, H, I, J, K and Housing Community Center	1987	202
Buildings N, P, Q, R, S, T and U	1989	216
Modular Units	1971	146

The College reserves the right to include, at its sole option, in the future, other sources of revenue or income, specifically including, but not limited to, all or any portion of the items or the auxiliary systems, excluded above, to Gross Revenues, by a Certificate executed by the Treasurer (or the successor to the functions of the Treasurer). “Certificate executed by the Treasurer” means the written certification to the effect that for the preceding two fiscal years for which audited financial statements are available, the System Net Revenues, together with the item or auxiliary maintained a “coverage ratio” of at least 125% where the “coverage ratio” equals: (i) Net Revenues plus net revenue (for those items or auxiliaries whose debt has a lien on Net Revenues) or gross revenues (for those items or auxiliaries whose debt has a lien on Gross Revenues), divided by (ii) debt service with respect to the then-outstanding revenue debt of the auxiliary or item plus Debt Service. In the event an auxiliary or item is added to Gross

Revenues, the obligations of that auxiliary or item may remain outstanding and have a prior claim on auxiliary net revenues.

The System shall not include Special Facilities.

Tax Maximum means the maximum dollar amount permitted by the Internal Revenue Code of 1986, as amended, including applicable regulations thereunder, to be allocated to a bond reserve account from bond proceeds without requiring a balance to be invested at a restricted yield.

Term Bonds means any Series 2006 Bonds designated as “Term Bonds” in the Bond Purchase Contract or Approved Bid for such Series 2006 Bonds.

Treasurer means the Vice President for Finance and Administration of the College or any successor to the functions of such office, and also shall include any designee of the Treasurer for the performance of specific functions under this resolution. In this resolution, the Treasurer is authorized to create a number of “funds” and/or “accounts.” In each case, the Treasurer may designate each such fund or account in his or her discretion as a fund or as an account, regardless of its designation in this resolution.

Underwriter means the initial purchaser or representative of the purchasers (if more than one firm acts collectively with one or more additional underwriting firms) of the Series 2006 Bonds.

(b) **Rules of Interpretation.** In this resolution, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein, “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

(6) Words importing the singular number include the plural number and vice versa.

Section 2. Authorization of the Projects. The College intends to make the following improvements: construction of and improvements to housing facilities including seismic improvements; construction of a new housing administration and support facility; renovations to B, C and D Buildings; elevator upgrades; roof replacements; and new furniture (the “Projects”). The College hereby confirms and ratifies the Projects and finds that it is in the best interest of the College to issue the Improvement Bonds for the purpose of providing additional financing for the Projects.

Section 3. Authorization of Series 2006 Bonds and Series 2006 Bond Details. For the purpose of paying the costs of the Projects and paying a proportionate share of the costs of issuance related thereto, including, but not limited to, the payment of the premium cost for a Bond Insurance Policy, if the Series 2006 Bonds are insured pursuant to Section 15, the College shall issue and sell its revenue bonds in the aggregate principal amount of not to exceed \$6,880,000 (the “Improvement Bonds”).

For the purpose of refunding the Refunded Bonds and paying a proportionate share of the costs of issuance related thereto, including, but not limited to, the payment of the premium cost for a Bond Insurance Policy, if the Series 2006 Bonds are insured pursuant to Section 15, and thereby effecting a substantial savings to the College and its System, the College shall issue its revenue refunding bonds in the aggregate principal amount of not to exceed \$1,625,000 (the “Refunding Bonds”).

The Improvement Bonds and the Refunding Bonds are sometimes herein collectively referred to as the “Series 2006 Bonds.”

The Series 2006 Bonds shall be designated as “The Evergreen State College Housing System Revenue and Refunding Bonds, Series 2006” (the “Series 2006 Bonds”) shall be

registered as to both principal and interest shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Series 2006 Bond shall represent more than one maturity; shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated and bear interest at the per annum rates, payable on the dates and maturing in principal amounts set forth in the Approved Bid or Bond Purchase Contract, pursuant to Section 13 of this resolution. The Series 2006 Bonds of any of the maturities may be combined and issued as term bonds (“Term Bonds”), subject to mandatory redemption as provided in the Approved Bid or Bond Purchase Contract.

The Series 2006 Bonds shall be obligations only of the Bond Fund and shall be payable and secured as provided herein. The Series 2006 Bonds are not general obligations of the College or of the State of Washington. The Series 2006 Bonds do not constitute an indebtedness of the College within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 4. Right of Prior Redemption and Purchase.

(a) *Optional Redemption.* The Series 2006 Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract or Approved Bid approved by the Designated College Representative pursuant to Section 13.

(b) *Mandatory Redemption.* The Series 2006 Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract or Approved Bid and as approved by the Designated College Representative pursuant to Section 13.

(c) *Purchase of Series 2006 Bonds.* If Series 2006 Bonds are offered to the College for purchase at any time, the Series 2006 Bonds may be purchased at any price deemed reasonable by the Treasurer but only to the extent of Gross Revenue available after providing for the payments required by paragraphs first through fourth of Section 7 of this resolution.

(d) *Selection of Series 2006 Bonds for Redemption.* As long as the Series 2006 Bonds are held in book-entry only form, the maturities to be redeemed shall be selected by the College and, within a maturity, the selection of Series 2006 Bonds of such series to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Series 2006 Bonds are no longer held in uncertificated form, the selection of such Series 2006 Bonds to be redeemed shall be made as provided in this subsection (d). If the College redeems at any one time fewer than all of the Series 2006 Bonds having the same series and maturity date, the particular Series 2006 Bonds or portions of Series 2006 Bonds of such series and maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Series 2006 Bond of a denomination greater than \$5,000, the College and Registrar shall treat each Series 2006 Bond as representing such number of separate Series 2006 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2006 Bond by \$5,000. In the event that only a portion of the principal sum of a Series 2006 Bond is redeemed, upon surrender of the such Series 2006 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Series 2006 Bond or Series 2006 Bonds of like maturity and interest rate in any of the denominations herein authorized.

(e) *Notice of Redemption*

(1) Official Notice. Unless waived by any owner of Series 2006 Bonds to be redeemed, official notice of any such redemption (which notice, in the case of an optional redemption, shall state that redemption is conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the College by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2006 Bond or Series 2006 Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all Outstanding Series 2006 Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Series 2006 Bonds to be redeemed,
- (D) that on the redemption date, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such Series 2006 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (E) the place where such Series 2006 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

(F) that the notice of redemption may be withdrawn and the proposed redemption of Series 2006 Bonds cancelled if for any reason funds will not be available on the date fixed for redemption.

Unless the College has revoked the notice of redemption, on or prior to any redemption date, the Treasurer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2006 Bonds or portions of Series 2006 Bonds which are to be redeemed on that date.

Failure to give notice as to redemption of any Series 2006 Bond or any defect in such notice shall not invalidate redemption of any other Series 2006 Bond.

Notwithstanding the foregoing, if the Series 2006 Bonds are then held in book-entry only form, notice of redemption to any Registered Owner or beneficial owner of Series 2006 Bonds, shall be given only in accordance with the operational arrangements then effect at DTC but not less than thirty (30) days prior to the date of redemption.

(2) Effect of Notice; Series 2006 Bonds Due. Official notice of redemption having been given as aforesaid, the Series 2006 Bonds or portions of Series 2006 Bonds so to be redeemed shall, on the redemption date (unless in the case of optional redemption the College shall default in the payment of the redemption price), become due and payable at the redemption price therein specified, and from and after such date such Series 2006 Bonds or portions of Series 2006 Bonds shall cease to bear interest. Upon surrender of such Series 2006 Bonds for redemption in accordance with said notice, such Series 2006 Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to a mandatory redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2006 Bond, there shall be prepared for the Registered Owner a new

Series 2006 Bond or Series 2006 Bonds of the same series and maturity in the aggregate amount of the unpaid principal. All Series 2006 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice may be given by the College as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Series 2006 Bonds being redeemed; (B) the date of issue of the Series 2006 Bonds as originally issued; (C) the rate of interest borne by each Series 2006 Bond being redeemed; (D) the maturity date of each Series 2006 Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Series 2006 Bonds being redeemed. Each further notice of redemption may be sent at least 35 days before the redemption date to the Insurer, if any, and to each party entitled to receive notice pursuant to Section 14 of this resolution, and to the original purchaser of the Series 2006 Bonds or to its business successors, if any, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with such additional information as the Registrar deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Series 2006 Bonds.

(4) Use of CUSIP Numbers. Upon the payment of the redemption price of Series 2006 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Series 2006 Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Place and Medium of Payment. The principal of, premium, if any, and interest on the Series 2006 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2006 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. For so long as all Series 2006 Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the Series 2006 Bonds are no longer in fully immobilized form, interest on the Series 2006 Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Series 2006 Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Registered Owners of the Series 2006 Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal and premium, if any, of the Series 2006 Bonds shall be payable upon presentation and surrender of such Series 2006 Bonds by the Registered Owners at the principal office of the Registrar.

Section 6. Registration.

(a) *Registrar/Bond Register.* The College hereby specifies and adopts the system of registration for the Series 2006 Bonds as approved by the State Finance Committee of the State of Washington from time to time. The College shall cause a bond register to be maintained by

the Registrar. So long as any Series 2006 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Series 2006 Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, the Insurer, if any, and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the College, to authenticate and deliver Series 2006 Bonds transferred or exchanged in accordance with the provisions of such Series 2006 Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2006 Bonds.

(b) *Registered Ownership.* The College and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Series 2006 Bond as the absolute owner thereof for all purposes (except as provided in Sections 14 and 22 of this resolution), and neither the College nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2006 Bond shall be made only as described in Section 5 hereof, but such Series 2006 Bond may be transferred as herein provided. All such payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the College upon such Series 2006 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Series 2006 Bonds as eligible for deposit at DTC, the Treasurer is hereby authorized to execute and deliver a Letter of Representations to DTC.

Neither the College nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Series 2006 Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Series 2006 Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the College to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series 2006 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series 2006 Bonds.

If any Series 2006 Bond shall be duly presented for payment and funds have not been duly provided by the College on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Series 2006 Bond until such Series 2006 Bond is paid.

(d) *Use of Depository.*

(1) The Series 2006 Bonds shall be registered initially in the name of “CEDE & CO.”, as nominee of DTC, with one Series 2006 Bond maturing on each of the maturity dates for the Series 2006 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2006 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any

successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Board pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

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

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding Series 2006 Bonds, together with a written request on behalf of the Board, issue a single new Series 2006 Bond for each maturity of the Series 2006 Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Board.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Board determines that it is in the best interest of the beneficial owners of the Series 2006 Bonds that such owners be able to obtain such bonds in the form of Series 2006 Bond certificates, the ownership of such Series 2006 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Designated College Representative shall deliver a written request to the Registrar, together with

a supply of definitive Series 2006 Bonds, to issue Series 2006 Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 2006 Bonds together with a written request on behalf of the Board to the Registrar, new Series 2006 Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.*

If the Series 2006 Bonds are no longer held in book-entry only form, the transfer of any Series 2006 Bond may be registered and Series 2006 Bonds may be exchanged, but no transfer of any such Series 2006 Bond shall be valid unless such Series 2006 Bond is surrendered to the Registrar with the assignment form appearing on such Series 2006 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2006 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Series 2006 Bond (or Series 2006 Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2006 Bond, in exchange for such surrendered and canceled Series 2006 Bond. If the Series 2006 Bonds are no longer held in book-entry only form, any Series 2006 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 2006 Bonds of the same date, maturity and interest rate, in any authorized denomination or denominations. The Registrar shall not be obligated to register the transfer or to exchange any Series 2006 Bond during the 15 days preceding the date any such Series 2006 Bond is to be redeemed.

(f) *Registrar's Ownership of Series 2006 Bonds.* The Registrar may become the Registered Owner of any Series 2006 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Series 2006 Bonds.

(g) *Registration Covenant.* The College covenants that, until all Series 2006 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2006 Bond that complies with the provisions of Section 149 of the Code.

Section 7. Priority of Use of Gross Revenue . The Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the College, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay Operating Expenses not paid from other sources;

Second, to make all payments, including sinking fund payments, required to be made into the Debt Service Account;

Third, to make all payments required to be made into the Reserve Account;

Fourth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of and interest on any revenue bonds or other revenue obligations of the College having a lien upon the Net Revenues and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of and interest on any Bonds; and

Fifth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the College as authorized in the various resolutions of the Board

authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the System, or any other lawful College purposes.

Section 8. Bond Fund. A special fund of the College designated the “The Evergreen State College Housing System Revenue Bond Fund” (the “Bond Fund”) is hereby authorized to be created in the office of the Treasurer for the purpose of paying and securing the payment of Parity Bonds. The Bond Fund shall be held separate and apart from all other funds and accounts of the College and shall be a trust fund for the owners, from time to time, of Parity Bonds.

(a) *Debt Service Account.* A Debt Service Account is hereby authorized to be created in the Bond Fund for the purpose of paying the principal of, premium, if any, and interest on Parity Bonds.

The College hereby irrevocably obligates and binds itself for as long as any Parity Bonds remain Outstanding to set aside and pay into the Debt Service Account from Net Revenues or moneys in the Revenue Fund, on or prior to the respective dates the same become due:

(1) Such amounts as are required to pay the interest scheduled to become due on Outstanding Parity Bonds; and

(2) Such amounts with respect to Outstanding Parity Bonds as are required (A) to pay maturing principal, (B) to make required sinking fund payments, and (C) to redeem Outstanding Parity Bonds in accordance with any mandatory redemption provisions.

(b) *Reserve Account.* A Bond Reserve Account (the “Reserve Account”) is hereby authorized to be created in the Bond Fund for the purpose of securing the payment of the principal of and interest on all Outstanding Parity Bonds. The College shall make deposits therein as provided in this section so that the balance therein shall be at least equal to the Reserve Account Requirement.

The Reserve Account Requirement may be funded at the date of issuance of Parity Bonds or may be funded in equal monthly deposits over a period of time (not greater than three years) established in resolution(s) authorizing the issuance of a series of Parity Bonds; provided, however, that the dollar amount required to be contributed, if any, as a result of the issuance of a series of Parity Bonds shall not be greater than the Tax Maximum. If the dollar amount required to be contributed at the time of issuance of a series of Parity Bonds exceeds the Tax Maximum, then the amount required to be contributed shall be equal to the Tax Maximum; the Reserve Account Requirement shall be adjusted accordingly and remain in effect until the earlier of (i) at the College's option, a payment of principal of Parity Bonds or (ii) the issuance of a subsequent series of Parity Bonds (when the Reserve Account Requirement shall be re-calculated).

The Reserve Account Requirement shall be maintained by deposits of cash and/or qualified investments, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. The Designated College Representative may decide to utilize Qualified Insurance or Qualified Letter(s) of Credit to satisfy all or a portion of the Reserve Account Requirement. Upon such election, the Designated College Representative is hereby authorized to execute and deliver one or more agreements with issuers of Qualified Insurance or Qualified Letters of Credit to effect the delivery of the appropriate instrument. To the extent that the College obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Reserve Account, all or a portion of the money on hand in the Reserve Account shall be transferred to the fund or account specified by the Designated College Representative. In computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the lower of the face amount thereof and the amount available to be drawn thereunder, and all other obligations purchased as an investment of moneys therein

shall be valued on a marked to market basis, at least once annually. As used herein, the term “cash” shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier’s check; and the deposit to the Reserve Account may be satisfied by the transfer of investments to such account. If a deficiency in the Reserve Account Requirement shall exist as a result of the foregoing valuation, such deficiency shall be made up within a year thereof.

If the balance on hand in the Reserve Account is sufficient to satisfy the Reserve Account Requirement, amounts in excess of such Reserve Account Requirement shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Debt Service Account and the Reserve Account to pay the principal of, premium, if any, and interest on all Outstanding Parity Bonds, the money in the Reserve Account may be used to pay such principal and interest. If the balance on deposit in the Reserve Account is at least equal to the Reserve Account Requirement, money in the Reserve Account in excess of the Reserve Account Requirement may be transferred to the fund or account specified in writing by the Designated College Representative.

If a deficiency in the Debt Service Account shall occur, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of investments held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to the Parity Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the transfer of cash from the Reserve Account to the Debt Service Account, the College shall then draw from any Qualified Letter of Credit or Qualified Insurance then credited to the Reserve Account for the Parity Bonds in sufficient amount to make up the deficiency. Such draw shall be

made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement may be made to the issuer of any Qualified Letter of Credit or Qualified Insurance in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First and Second of Section 7 of this resolution. If the College shall have failed to make any payment required to be made under such reimbursement agreement for Parity Bonds, the issuer shall be entitled to exercise all remedies available at law or under this resolution; provided, however, that no acceleration of the Parity Bonds shall be permitted, and no remedies that adversely affect Registered Owners of the Parity Bonds shall be permitted. Any deficiency created in the Reserve Account by reason of any such withdrawal shall be made up within one year from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenues (or out of any other moneys on hand legally available for such purpose), in 12 equal monthly installments, after first making necessary provision for all payments required to be made into the Debt Service Account within such year.

To the extent that the College has obtained Qualified Insurance or a Qualified Letter of Credit to satisfy its obligations under this Section 8, amounts then available to be drawn under such Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this Section 8 to the extent that such payments and credits are insured by the issuer of such Qualified Insurance, or are to be made or guaranteed by a Qualified Letter of Credit. If a Credit Event occurs, the Reserve Account Requirement shall be satisfied (A) within one year after the occurrence of such Credit Event with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years (in three equal annual installments) after the occurrence of such Credit Event, out of Net Revenues

(or out of other money on hand and legally available for such purpose) after first making necessary provisions for all payments required to be made into the Debt Service Account.

(c) *Lien of Deposits into Bond Fund.* Said amounts so pledged to be paid into the Debt Service Account and Reserve Account with respect to the Series 2006 Bonds are hereby declared to be an equal and prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to the lien and charge of any lien which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

(d) *Use of Excess Money.* Money in the Bond Fund not needed to pay the interest or principal and interest next coming due on any Outstanding Parity Bonds or to maintain required reserves therefor may be used to purchase or redeem and retire Parity Bonds. Money in the Revenue Fund, the Debt Service Account and the Reserve Account may be commingled for investment purposes and may be invested in any investments legal for the College; subject to the limitations set forth in Section 12 hereof.

Section 9. Specific Covenants. The College hereby covenants and agrees with the owners and holders of each of the Bonds for as long as any of the same remain Outstanding that it will observe the following covenants.

(a) *Rate Covenant.* The College will at all times establish, maintain and collect rates, fees, and charges in the operation of the System for as long as any Bonds are Outstanding that will produce Net Revenues sufficient to meet the Rate Covenant.

The College hereby covenants that it will not construct, operate or enter into any agreement permitting or facilitating the construction or operation of any facilities which will compete with the operations of the System in a manner which will materially and adversely

affect its ability to comply with the Rate Covenant. Compliance with the covenant set forth in the preceding sentence may be demonstrated by a certificate based upon reasonable belief of the Designated College Representative.

If the Net Revenues in any fiscal year are less than required to fulfill the Rate Covenant, then the College will retain a Consultant to make recommendations as to operations and the revision of schedules of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Board, on the basis of such recommendations and other available information, will establish rentals, rates, fees and charges for services and operations which will be necessary to meet the Rate Covenant in the fiscal year during which such adjustments are made. If the Board has taken the steps set forth in this paragraph and the Net Revenues in the fiscal year in which adjustments are made nevertheless are not sufficient to meet the Rate Covenant, there shall be no default under this Section 9(a) during such fiscal year, unless the College fails to meet the Rate Covenant for two consecutive fiscal years.

(b) *Payment of Debt Service.* The College will duly and punctually pay or cause to be paid out of the bond fund for each series of Bonds the principal of and interest on the Bonds at the times and places as provided in each resolution authorizing their issuance and in said Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution, each such resolution, as applicable, and in the Bonds.

(c) *Maintenance of System.* The College will at all times keep and maintain the System in good repair, working order and condition, and will at all times operate the same and

the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

(d) *Disposition of System.* In the event any portion of the System which contributes in some measure to the Gross Revenue is sold by the College or is condemned pursuant to the power of eminent domain, the College will apply the net proceeds of such sale or condemnation to capital expenditures upon or for the System which will contribute in some measure to the Gross Revenue or to the retirement of Bonds then Outstanding.

(e) *Property Insurance.* The College will keep all facilities of the System insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such deductibles as the Board or the Designated College Representative shall deem necessary for the protection of the College and of the owners of Bonds then Outstanding. Such insurance may be obtained through third parties or may be provided by a program of self-insurance or through an insurance pool, including other governmental entities.

(f) *Liability Insurance.* The College will at all times keep or arrange to keep in full force and effect policies of public liabilities and property damage insurance which will protect the College against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such deductibles as the Board shall deem necessary for the protection of the College and of the owners of the Bonds then Outstanding. Such insurance may be obtained through third parties or may be provided by a program of self-insurance or through an insurance pool, including other governmental entities.

(g) *Maintenance of Books and Records.* The College will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year, the College will prepare or cause to be prepared an operating statement of all of the business of the System for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the College for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the College pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Board authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the office of the Treasurer, and shall be open to inspection at any reasonable time by the owners of Bonds.

Section 10. Parity Bonds. The College hereby further covenants and agrees with the owner and holder of the Bonds for as long as the same remains outstanding that the College will not issue any bonds or other obligations having a greater or equal priority of lien upon the Gross Revenue of the System to pay and secure the payment of the principal of and interest on such bonds or other obligations than the lien created upon the Gross Revenue of the System to pay and secure the payment of the principal of and interest on the Bonds, except as follows:

(a) The College reserves the right to issue Future Parity Bonds for the purposes of First, providing funds to acquire, construct, reconstruct, install, or replace any equipment, facilities, additions, betterments, or other capital improvements to the System for which it is authorized by law to issue revenue bonds, or Second, refunding at or prior to their maturity, any revenue warrants, or outstanding revenue bonds or other obligations of the College. ;

Parity Bonds and the lien thereof created and established hereunder and under each resolution authorizing the issuance of a series Parity Bonds shall be obligations only of the Bond Fund and the accounts therein. Parity Bonds shall be payable solely from and secured solely by Net Revenues available after providing for the payment of Operating Expenses; provided, however, that any series of Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that series of Parity Bonds.

(b) *Conditions – General.* The College hereby further covenants and agrees with the owners and holders of each of the Parity Bonds for as long as any of the same remain Outstanding that it will not issue any Parity Bonds that constitute a charge and lien upon the Net Revenues equal to the lien thereon of Outstanding Parity Bonds, unless at the time of the issuance of such Parity Bonds the College is not in default under any resolution pursuant to which Parity Bonds have been issued, and the College meets the conditions set forth in Section 11 below or meets either of the conditions described in (1) or (2) below.

(1) Certificate Required. There shall have be delivered prior to or on the date of the issuance of the Parity Bonds, either

(A) a certificate prepared as provided below and executed by the Designated College Representative stating that Net Revenues during the Base Period were at

least equal to 125 percent of average Annual Debt Service for the Certificate Period with respect to all Parity Bonds then Outstanding and then proposed to be issued ; or

(B) a Consultant's certificate, prepared as provided below, stating that projected Net Revenues will be at least equal to 125 percent of average Annual Debt Service for the Certificate Period.

The Designated College Representative's certificate, described in (A) above shall be based upon the financial statements of the College for the Base Period, corroborated by the certified statements of the Division of Municipal Corporations of the State Auditor's office of the State of Washington, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period.

In making the computations of projected Net Revenues for the purpose of certifying compliance with the conditions specified in (B) above, the Consultant shall use as a basis the Net Revenues for the Base Period corroborated by the certified statements of the Division of Municipal Corporations of the State Auditor's office of the State of Washington, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period. The Consultant shall make such adjustments to Net Revenues (including projected Net Revenues from facilities of the System to be constructed with the proceeds of Parity Bonds and projected to be received from approved System rate increases) in order to compute projected Net Revenues as he/she/it deems reasonable as set forth in writing to the College.

Compliance with the coverage requirements of this Section 10 shall be demonstrated conclusively by a certificate delivered in accordance with this subsection (b).

(2) No Certificate Required. A certificate shall not be required as a condition to the issuance of Parity Bonds:

(A) if the Parity Bonds are being issued for refunding purposes upon compliance with the provisions of Section 11; or

(B) if the Parity Bonds are being issued to pay Costs of Construction of facilities of the System for which indebtedness has been issued previously and the principal amount of such indebtedness being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of indebtedness theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Designated College Representative, stating that the scope, nature and purpose of such facilities has not materially changed and that the net proceeds of such indebtedness being issued for completion purposes will be sufficient, together with other available funds of the College, to complete such facilities.

(c) *Liens Subordinate to Parity Bonds.* Nothing herein contained shall prevent the College from issuing revenue bonds or other obligations which are a charge upon the Net Revenues junior or inferior to the payments required by this resolution to be made out of such Net Revenues to pay and secure the payment of any Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

Section 11. Refunding Parity Bonds. The College may issue Parity Bonds for refunding purposes, as follows:

(a) Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve

account or to purchase a Qualified Letter of Credit or Qualified Insurance, and the expenses of issuing the Parity Bonds and of effecting such refunding upon delivery of a certificate as provided in subsection 10(b)(1). Such refunding Parity Bonds also may be issued without a certificate if:

(1) the latest maturity of the Parity Bonds to be issued is not later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the increase in Annual Debt Service as a result of such refunding in any year is less than the greater of (i) \$5,000 or (ii) 5% of such Annual Debt Service on the Parity Bonds to be refunded; or

(2) the latest maturity of the Parity Bonds to be issued is later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the Maximum Annual Debt Service on all Parity Bonds to be Outstanding after the issuance of the refunding Parity Bonds shall not be greater than Maximum Annual Debt Service were such refunding not to occur.

(b) Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any outstanding indebtedness, including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance, and the expenses of issuing the Parity Bonds to purchase or refund the same and of effecting such refunding; provided, however, that prior to the issuance of such Parity Bonds the College must provide a certificate if a certificate would be required by subsection (a). For the purposes of determining whether a certificate is required by subsection (a) and for the purpose of preparing any such certificate, the debt service on the indebtedness shall be calculated as if such indebtedness were Parity Bonds.

(c) Parity Bonds may be issued without the requirement of a certificate pursuant to this section for the purpose of refunding (including by purchase) any indebtedness or Parity Bonds at any time within one year prior to their maturity or mandatory redemption date if sufficient Net Revenues or other moneys are not expected to be available for payment at maturity or mandatory redemption,.

Section 12. Tax Covenants.

(a) *Arbitrage Covenant.* Without limiting the generality of the foregoing, the College covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Series 2006 Bonds or any other funds of the College which may be deemed to be proceeds of the Series 2006 Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the date of delivery of the Series 2006 Bonds to the initial purchasers thereof, would have caused the Series 2006 Bonds as “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code.

The College represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon. The College will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Series 2006 Bonds.

(b) *Private Person Use Limitation for Series 2006 Bonds.* The College covenants that for as long as the Series 2006 Bonds are Outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Series 2006 Bonds to be used for any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Series 2006 Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used

or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the College) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The College further covenants that, if:

(3) More than five percent of the Net Proceeds of the Series 2006 Bonds are to be used for any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Series 2006 Bonds in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the College) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Projects or the projects financed with the 1994 Bonds (the 1994 Projects), and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Series 2006 Bonds used for the state or local governmental use portion of the Projects or the 1994 Projects to which the Private Person Use of such portion of the Projects or the 1994 Projects (as the case may be) relates. The College further covenants that it will comply with any limitations on the use of the Projects and the 1994 Projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax

exemption of the interest on the Series 2006 Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 2006 Bonds.

(c) *Designation.* The College hereby designates the Series 2006 Bonds as “qualified tax-exempt obligations” for purchase by financial institutions pursuant to Section 265(b)(3) of the Code. The College does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during 2006.

Section 13. Sale of Series 2006 Bonds. The Board has determined that it would be in the best interest of the College to delegate to the Designated College Representative the authority to approve the manner of sale, the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity, redemption rights and other terms and conditions of the Series 2006 Bonds. The Designated College Representative is hereby authorized to approve the manner of sale, the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights for the Series 2006 Bonds in the manner provided hereafter so long as (i) the aggregate principal amount of the Series 2006 Bonds does not exceed \$8,500,000; and (ii) the true interest cost for the Series 2006 Bonds (in the aggregate) does not exceed 5.25%.

In determining the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights of the Series 2006 Bonds, the Designated College Representative, in consultation with College staff and the College’s financial advisor, shall take into account those factors that, in his/her judgment, will result in the lowest true interest cost of the Series 2006 Bonds to their maturity, including, but not limited to current financial market

conditions and current interest rates for obligations comparable in tenor and quality to the Series 2006 Bonds.

Initially, the Designated College Representative is hereby authorized to determine whether the Series 2006 Bonds shall be sold by Negotiated Sale or by a Competitive Sale. If the Series 2006 Bonds are sold by Negotiated Sale, the Designated College Representative shall select one or more underwriting firms to underwrite the Series 2006 Bonds through a process of soliciting proposals for underwriting. Upon the selection of one or more underwriters, the Designated College Representative shall negotiate the terms of sale for the Series 2006 Bonds, including the terms described in this section, in a contract of sale (the "Bond Purchase Contract"). If the Series 2006 Bonds are sold by Competitive Sale, sealed bids will be received by the Designated College Representative or the Competitive Sale will be undertaken by electronic means, in the manner and on such date and time as the Designated College Representative hereafter shall determine. The Designated College Representative will approve the bid offering to purchase the Series 2006 Bonds at the lowest true interest cost to the College at such price as shall be determined at the time of sale by the Designated College Representative, plus accrued interest to the date of delivery, on all the terms and conditions set out in the applicable Official Notice of Sale and Bid Form.

All bids submitted for the purchase of the Series 2006 Bonds shall be as set forth in the applicable Official Notice of Sale or otherwise as established by the Designated College Representative which will be furnished upon request made to the Designated College Representative. Such bids shall be accompanied by surety bond or a cashier's or certified check, as a good faith deposit, made payable to the order of the College, in an amount determined by the College's financial advisor. The good faith deposit of the successful bidder shall be security

for the performance of its bid and shall be held as liquidated damages in case the successful bidder fails to take up and pay for the Series 2006 Bonds within 45 days if tendered for delivery. All bids submitted shall be opened (but not read publicly) by the College. The College reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

Subject to the terms and conditions set forth in this Section 13, the Designated College Representative is hereby authorized to accept an Approved Bid in a Competitive Sale and/or execute the final form of a Bond Purchase Contract in a Negotiated Sale, upon his/her approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities and redemption rights set forth therein. Following the sale of the Series 2006 Bonds, the Designated College Representative shall provide a report to the Board, describing the final terms of the Series 2006 Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated College Representative by this Section 13 shall expire 120 days after the date of approval of this resolution. If the sale for the Series 2006 Bonds has not been completed within 90 days after the date of final approval of this resolution, the authorization for the issuance of the Series 2006 Bonds shall be rescinded, and the Series 2006 Bonds shall not be issued nor their sale approved unless such Series 2006 Bonds shall have been re-authorized by resolution of the College. The resolution re-authorizing the issuance and sale of such Series 2006 Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution establishing terms and conditions for the authority delegated under this Section.

The Designated College Representative or his/her designee are hereby authorized to review and approve on behalf of the College the preliminary and final Official Statements relative to the Series 2006 Bonds with such additions and changes as may be deemed necessary

or advisable to them. The Designated College Representative is hereby further authorized to deem final the Preliminary Official Statement for the Series 2006 Bonds for purposes of compliance with the Rule.

Upon the adoption of this resolution, the proper officials of the College including the Designated College Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of the Series 2006 Bonds and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2006 Bonds in accordance with the terms of the Official Notice of Sale, Approved Bid and/or Bond Purchase Contract.

Section 14. Undertaking to Provide Ongoing Disclosure. The Designated College Representative is authorized to, in his/her discretion, execute and deliver a certificate regarding continuing disclosure in order to assist the Underwriter in complying with Section (b)(5) of the Rule.

Section 15. Bond Insurance; Surety Bond.

(a) *Bond Insurance.* The payments of the principal of and interest on the Series 2006 Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated College Representative, with the assistance of the College's financial advisor, is hereby further authorized and directed to solicit proposals from municipal bond insurance companies for the issuance of a Bond Insurance Policy. In the event that the Designated College Representative receives multiple proposals, the Designated College Representative may select the proposal having the lowest cost and resulting in an overall lower interest cost with respect to the Series 2006 Bonds. The Designated College Representative may execute a commitment received from the Insurer selected by the Designated College Representative. The Board further authorizes and

directs all proper officers, agents, attorneys and employees of the College to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the College as shall be necessary or advisable in providing for the Bond Insurance Policy. To the extent that the Series 2006 Bonds are insured by a Bond Insurance Policy, the Insurer of each maturity of the Series 2006 Bonds so insured shall be deemed to be the Registered Owner of such Series 2006 Bonds for all purposes, including consent, under this resolution.

(b) *Surety Bond.* The guaranteeing of certain payments into the Reserve Account may be secured by a surety bond (the “Surety Bond”). The Designated College Representative, with the assistance of the College’s financial advisor, is hereby further authorized and directed to solicit proposals from municipal bond insurance companies for the issuance of a Surety Bond (the “Surety Bond Provider”). In the event that the Designated College Representative receives multiple proposals, the Designated College Representative may select the proposal having the lowest cost and resulting in an overall lower interest cost with respect to the Series 2006 Bonds. The Designated College Representative may execute a commitment received from the Surety Bond Provider selected by the Designated College Representative. The Board further authorizes and directs all proper officers, agents, attorneys and employees of the College to cooperate with the Surety Bond Provider in preparing such additional agreements, certificates, and other documentation on behalf of the College as shall be necessary or advisable in providing for the Surety Bond.

Section 16. Form of Series 2006 Bonds and Registration Certificate. The Series 2006

Bonds shall be in substantially the following form:

STATEMENT OF INSURANCE, if any

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

THE EVERGREEN STATE COLLEGE

HOUSING SYSTEM

REVENUE AND REFUNDING BOND, SERIES 2006

Maturity Date: _____ CUSIP No. _____

Interest Rate: _____

Registered Owner: Cede & Co.

Principal Amount: _____

THE EVERGREEN STATE COLLEGE, a regional College organized and existing under and by virtue of the laws of the State of Washington (the "College"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the College known as the "The Evergreen State College Housing System Revenue Bond Fund" (the "Bond Fund") created by Resolution No. 2006-01 of the Board of Trustees (the "Bond Resolution") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from _____, 2006, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 2006, and semiannually thereafter on the first days of each _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the College to The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agency of the State of Washington (the "Registrar"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of an issue of bonds of the College of like date, tenor and effect, except as number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to refund certain outstanding revenue bonds of the College and to finance certain capital improvements to the housing system of the College.

The bonds of this issue maturing on and prior to _____, 20__ are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on and after _____, 20__ are subject to redemption at the option of the College on and after _____, 20__ in whole or in part on any date (with maturities to be selected by the College), at a price of par plus accrued interest to the date of redemption.

[The College has obligated and bound itself to redeem the bonds of this issue maturing on _____, 20__, at par plus accrued interest in the following amounts on June 1 of the following years:

<u>Redemption Years</u>	<u>Redemption Amounts</u>
	\$

*

*Final maturity.]

The bonds of this issue are not private activity bonds. The bonds of this issue have been designated by the College as eligible investments for financial institutions under Section 265 of the Internal Revenue Code of 1986, as amended.

The College hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The College does hereby pledge and bind itself to set aside from such Gross Revenue of the System, and to pay into said Bond Fund and the Reserve Account created therein the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Gross Revenue into said Bond Fund and Bond Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the Operating Expenses of the System and any revenue bonds of the College hereafter issued on a parity with such bonds and the bonds of this issue.

The College has further bound itself to maintain all of its properties and facilities which contribute in some measure to such Gross Revenue in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rentals, rates and charges in the operation of the System for as long as any bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenues (as the same is defined in the Bond Resolution) in an amount equal to or greater than the Rate Covenant.

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

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the College and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, The Evergreen State College has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of the Board of Trustees, and a facsimile corporate seal of the College to be imprinted hereon as of the ___ day of _____, 2006.

THE EVERGREEN STATE COLLEGE

By /s/ _____
Chair, Board of Trustees

ATTEST:

/s/ _____
Secretary, Board of Trustees

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Housing System Revenue and Refunding Bonds, Series 2006 of The Evergreen State College, dated _____, 2006.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

Section 17. Execution. The Series 2006 Bonds shall be executed on behalf of the College with the manual or facsimile signature of the Chair of its Board, shall be attested by the manual or facsimile signature of the Secretary of the Board and shall have the seal of the College impressed or a facsimile thereof imprinted thereon.

Only such Series 2006 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 2006 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers of the College who shall have executed the Series 2006 Bonds shall cease to be such officer or officers of the College before the Series 2006 Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the College, such Series 2006 Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the College as though those who signed the same had continued to be such officers of the College. Any Series 2006 Bond may also be signed and attested on behalf of the College by such persons as at the actual date of execution of such Series 2006 Bond shall be the proper officers of the College although at the original date of such Series 2006 Bond any such person shall not have been such officer.

Section 18. Lost, Stolen or Destroyed Bonds. In case any Series 2006 Bond or Series 2006 Bonds shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Series 2006 Bond or Series 2006 Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the College in connection therewith and upon his/her filing with the College evidence satisfactory to the College that such Series 2006 Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the College with indemnity satisfactory to the College.

Section 19. Defeasance. In the event that the College, in order to effect the payment, retirement or redemption of any Series 2006 Bond, sets aside in the Bond Fund or in another

special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Series 2006 Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Series 2006 Bond. The owner of a Series 2006 Bond so provided for shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive payment of principal, premium, if any, and interest from such special account, and such Series 2006 Bond shall be deemed to be not outstanding under this resolution.

The College shall give written notice of defeasance to the owners of all Series 2006 Bonds so provided for within 30 days of the defeasance and to each party entitled to receive notice in accordance with Section 14 of this resolution.

Section 20. Application of Proceeds of Series 2006 Bonds.

(a) *Accrued Interest.* Interest accrued on the Series 2006 Bonds from their date to the date of issuance shall be deposited in the Debt Service Account and shall be used to pay interest on the Series 2006 Bonds coming due on the immediately upcoming interest payment date(s).

(b) *Project Fund.* The College shall establish a fund designated the “2006 Housing Capital Projects Fund” (the “Project Fund”) into which the proceeds of the Improvement Bonds (other than accrued interest) shall be deposited. Money on hand in the Project Fund shall be used to pay the costs of or reimbursement for the costs of the Projects. The Treasurer may invest money in the Project Fund in legal investments for College funds. Earnings on such investments shall accrue to the benefit of the fund earning such interest. Any part of the proceeds of the

Improvement Bonds remaining in the Project Fund after all costs of the Projects have been paid (including costs of issuance) may be used for any capital purpose of the System or may be transferred to the Bond Fund.

(c) *Refunding.* A portion of the proceeds of sale of the Refunding Bonds in the dollar amount certified by the College to the Escrow Agent shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and paying related costs of issuance.

Money received by the Escrow Agent from Refunding Bond proceeds and other money provided by the College, shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the Refunded Bonds as authorized by Resolution No. 94-4, and to pay certain costs of issuance of the Series 2006 Bonds. The College shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of the Refunded Bonds:

- (1) interest on the Refunded Bonds coming due on the Call Date; and
- (2) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on the Call Date.

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

(d) *Appointment of Escrow Agent.* The Treasurer is hereby authorized and directed to solicit proposals from and select a financial institution to act as the escrow agent for

the Refunded Bonds (the “Escrow Agent”). The Refunding Bond proceeds designated in the foregoing subsection together with a cash contribution from the College shall be transferred to the Escrow Agent in order to implement the refunding plan. A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Refunding Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Refunding Bonds and/or returned to the College for the payment of such expenses.

Section 21. Call For Redemption of Refunded Bonds and Escrow Agreement.

(a) *Call For Redemption of the Refunded Bonds.* The College hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunding Bonds to make the payments described in Section 20 of this resolution.

The College hereby irrevocably calls the Refunded Bonds for redemption on the Call Date in accordance with terms of Resolution No. 94-4 authorizing the redemption and retirement of the 1994 Bonds prior to their fixed maturities.

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

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of Resolution No. 94-4. The Treasurer of the College is authorized and requested to provide

whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notices shall be an expense of the College.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 20 of this resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof. All moneys and Acquired Obligations deposited with said bank and any income therefrom shall be credited to a refunding account and held, invested (but only at the direction of the Treasurer) and applied in accordance with the provisions of this resolution and with the laws of the State of Washington for the benefit of the College and owners of the Refunded Bonds.

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

(b) *Escrow Agreement.* The Treasurer is authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement substantially in the form attached to this resolution as Exhibit A, with such changes or modifications as the Treasurer, with the advice of bond counsel to the College, consider necessary or advisable.

The College hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations to be deposited with the Escrow Agent pursuant to the Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the Escrow Agreement. When all of the Refunded Bonds shall

have been redeemed and retired, the College may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

Section 22. Adoption of Supplemental Resolutions and Purposes Thereof.

(a) *Without Consent.* The Board from time to time and at any time may adopt an resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the College in this resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the holders of any Parity Bonds, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or any resolution authorizing future Parity Bonds in regard to matters or questions arising under such resolutions as the Board may deem necessary or desirable and not inconsistent with such resolutions and which shall not adversely affect, in any material respect, the interest of the holders of Parity Bonds.

Any such supplemental resolution may be adopted without the consent of the holders of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) *With Consent.* With the consent of the holders of not less than 65% in aggregate principal amount of the Parity Bonds at the time outstanding, the Board may adopt an resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) Extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected; or

(2) Reduce the aforesaid percentage of bondholders required to approve any such supplemental resolution, without the consent of the holders of all of the Parity Bonds then Outstanding.

It shall not be necessary for the consent of bondholders under this subsection (b) to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof. For the purpose of consenting to amendments under this Section 22 except for amendments that alter the interest rate on any Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Parity Bonds, the Credit Facility Issuer shall be deemed to be the sole Registered Owner of the Parity Bonds that are payable from such Credit Facility and that are then Outstanding.

(c) *Effect of Amendment.* Upon the passage of any supplemental resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the College under this resolution and all holders of Parity Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

(d) *Notation on Parity Bonds.* Parity Bonds executed and delivered after the execution of any supplemental resolution passed pursuant to the provisions of this section may

have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new bonds so modified as to conform, in the opinion of the Board, to any modification of this resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the holders of any affected Parity Bonds then outstanding, upon surrender for cancellation of such bonds with all unmatured coupons and all matured coupons not fully paid, in equal aggregate principal amounts.

Section 23. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the College shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of any Series 2006 Bonds.

Section 24. Effective Date. This Bond Resolution shall be effective immediately upon its adoption.

ADOPTED AND APPROVED by the Board of Trustees of The Evergreen State College, at a regular meeting held this 11th day of January, 2006.

THE EVERGREEN STATE COLLEGE

Stanley L.K. Flemming, DO, MA
Chair, Board of Trustees

ATTEST:

Deborah J. Barnett
Secretary of the Board

EXHIBIT A

Form of Escrow Agreement

ESCROW DEPOSIT AGREEMENT

**THE EVERGREEN STATE COLLEGE
HOUSING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2006**

THIS ESCROW AGREEMENT, dated as of _____, 2006 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between The Evergreen State College (herein called the "College") and _____, _____, _____ as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the College and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

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

WHEREAS, pursuant to Resolution No. 2006-01, adopted on January 11, 2006 (the "Bond Resolution"), the College has determined to issue its Housing System Revenue and Refunding Bonds, Series 2006 (the "Series 2006 Bonds"). A portion of the Series 2006 Bonds (the "Refunding Bonds") are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

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

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

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

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash

balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Bonds as it accrues and becomes payable and the principal of the Refunded Bonds as it becomes due and payable; and

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

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

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

Article 1.

Section 1.1. Definitions.

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

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

Escrow Agent means _____, _____, _____.

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

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

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations — State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

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

Refunded Bonds means \$_____ of the College's Housing System Revenue Bonds, Series 1994.

Section 1.2. Other Definitions.

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

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Escrow Fund.

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

Article 3. Creation and Operation of Escrow Fund

Section 3.1. Escrow Fund.

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

by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the College, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds on _____, 2006 and interest thereon to _____, 2006 in the amounts shown in Exhibit C.

Section 3.3. Sufficiency of Escrow Fund.

The College represents that, based upon the information provided in the Verification Report, the receipt of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the time and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on _____, 2006, all as more fully set forth in Exhibit E. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2., the College shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the College's failure to make additional deposits.

Section 3.4. Trust Fund.

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

shall not be subject to warrants, drafts or checks drawn by the College or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Section 4.2. Substitution of Securities.

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

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Sections 2.1, 3.2 and 4.2, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency and shall not be reinvested by the Escrow Agent, except as directed or authorized herein.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The College hereby irrevocably calls the Refunded Bonds for redemption on _____.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached as and as described in Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the resolution or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

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

Section 7.2. Reports.

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

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

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

Section 8.2. Limitation on Liability.

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

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

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

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

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

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

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

Section 8.3. Compensation.

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

Section 8.4. Successor Escrow Agents.

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

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

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

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

Article 9. Miscellaneous

Section 9.1. Notice.

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

Section 9.2. Termination of Responsibilities.

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

Section 9.3. Binding Agreement.

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

of the Refunded Bonds, the College, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

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

Section 9.5. Washington Law Governs.

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

Section 9.6. Time of the Essence.

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

Section 9.7. Notice to Moody's and S&P.

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

Section 9.8. Amendments.

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

EXECUTED as of the date first written above.

THE EVERGREEN STATE COLLEGE

Title: _____

[ESCROW AGENT]

Title: _____

- Exhibit A — Addresses of the College and the Escrow Agent
- Exhibit B — Description of the Refunded Bonds
- Exhibit C — Schedule of Debt Service on Refunded Bonds
- Exhibit D — Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E — Escrow Fund Cash Flow
- Appendix A — Notice of Redemption — Refunded Bonds
- Appendix B — Fee Schedule

EXHIBIT A
Addresses of the College and Escrow Agent

College: The Evergreen State College
2700 Evergreen Parkway NW
Olympia, WA 98505
Attention: Vice President for Finance and Administration

Escrow Agent: _____

Attention: Corporate Trust Services

EXHIBIT B
Description of the Refunded Bonds

The Evergreen State College
Housing System Revenue Bonds, Series 1994
("Refunded Bonds")

Maturity Years (March 1)	Principal Amounts	Interest Rates
2006	\$	%
2007		
2008		
2009		

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
[Month, Date, Year]	\$	\$	\$[Total Amount]
Total	<u>\$[Total Amount]</u>	<u>\$[Total Amount]</u>	<u>\$[Total Amount]</u>

**EXHIBIT D
Escrow Deposit**

I. Cash: \$ _____

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
[SLG, TNOTE]	[Month, Date, Year]	\$ _____	[Rate]%	\$ _____*
		<u> </u>		<u> </u>
		\$[Total Amount]		\$[Total Amount]

III. Costs of Issuance [as applicable]

Escrow Agent Fee (_____)	\$ _____
Bond Counsel Fee (PGE)	
OS Printing and Mailing Costs (_____)	
Rating Agency ([Rating Agency(ies)])	_____
TOTAL:	\$ _____

EXHIBIT E
Escrow Fund Cash Flow

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>
[Month, Date, Year]	\$	\$	\$	\$
	<u> </u> \$[Total Amount]	<u> </u> \$[Total Amount]	<u> </u>	

APPENDIX A
Notice of Redemption*
The Evergreen State College
Housing System Revenue Bonds, Series 1994

NOTICE IS HEREBY GIVEN that the College has called for redemption on _____, 2006, its then outstanding Housing System Revenue Bonds, Series 1994 (the "Bonds").

The Bonds will be redeemed at a price of 100% of their principal amount, plus interest accrued to _____, 2006. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York Fiscal Agency Department Ground Floor 101 Barclay Street 7 East New York, NY 10286	-or-	Wells Fargo Bank, National Association Corporate Trust Department 14th Floor - M/S 257 999 Third Avenue Seattle, WA 98104
--	------	--

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on _____, 2006.

The following Bonds are being redeemed:

Maturity Years (March 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2007			
2008			
2009			

By Order of The Evergreen State College

The Bank of New York, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003

 *To conform with notice provisions of 1994 Bonds. This notice shall be given not more than 60 nor less than 30 days prior to March 1, 2006 by first class mail to each registered owner of the 1994 Bonds. In addition notice shall be mailed at least 35 days prior to March 1, 2006 to _____.

(the “Act”) unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B
Fee Schedule

Escrow Agent Fee: \$ _____