YELM COMMUNITY SCHOOLS
THURSTON AND PIERCE COUNTIES, WASHINGTON

RESOLUTION NO. 15-19-20

A RESOLUTION of the Board of Directors of Yelm Community Schools, Thurston and Pierce Counties, Washington, relating to contracting indebtedness; providing for the issuance, fixing or setting parameters with respect to certain terms and covenants, and fixing the form of not to exceed $7,900,000 aggregate principal amount unlimited tax general obligation refunding bonds, in one or more series, to provide money with which to pay the cost of refunding, paying and redeeming all or a part of the callable portion of the District's outstanding Unlimited Tax General Obligation Refunding Bonds, 2010; providing for and authorizing the use and application of the proceeds of the sale of the bonds herein authorized; appointing a refunding trustee and authorizing the execution of one or more agreements with that refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; providing that payment of the bonds be guaranteed by the State of Washington; appointing the District's designated representative pursuant to RCW 39.46.040(2) to approve the final terms of the issuance, sale and delivery of the bonds; and providing for other matters properly related thereto.

ADOPTED: AUGUST 20, 2020

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF YELM COMMUNITY SCHOOLS, THURSTON AND PIERCE COUNTIES, WASHINGTON, as follows:

Section 1. Definitions. In addition to the words and terms defined elsewhere in this resolution, the following words and terms as used in this resolution shall have the following meanings, unless the context or use indicates another or different meaning or intent.

(a) "2010 Bonds" means the Yelm Community Schools, Thurston and Pierce Counties, Washington, Unlimited Tax General Obligation Refunding Bonds, 2010, dated October 7, 2010, issued in the original principal amount of $37,595,000 pursuant to the 2010 Resolution.

(b) "2010 Resolution" means Resolution No. 01-10-11, adopted by the Board on September 23, 2010, authorizing the issuance, sale and delivery of the 2010 Bonds.

(c) "Acquired Obligations" means noncallable, nonprepayable Government Obligations purchased to accomplish the refunding of the Refunded Bonds.

(d) "Aggregate Purchase Price" means, with respect to any Series of Bonds, the price to be paid by the Purchaser for the Bonds of that Series, calculated as the stated principal amount of that Series, plus original issue premium, if any, net of original issue discount, if any, and less fees (including underwriter's discount with respect to any Series of Bonds sold as Negotiated Bonds) of the Purchaser, if any.

(e) "Authorized Denomination" means: (i) with respect to Negotiated Bonds, $5,000 or any integral multiple of $5,000 within a maturity of a Series; or (ii) with respect to a Single Bond, the stated principal amount of the Single Bond.

(f) "Beneficial Owner" means, with respect to a Negotiated Bond, the owner of any beneficial interest in that Negotiated Bond.

(g) "Board" means the Board of Directors of the District.

(h) "Bond Counsel" means the firm of Foster Garvey P.C., its successor or any other attorneys or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

(i) "Bond Purchase Agreement" means an offer to purchase a Series of Bonds, presented by the Purchaser and accepted by the Designated Representative, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds.

(j) "Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(k) "Bond Registrar" means the fiscal agent of the State, as the same may be designated by the State from time to time, or any successor bond registrar selected by the Treasurer.

(l) "Bonds" means the unlimited tax general obligation refunding bonds, issued in one or more Series, in the form of Negotiated Bonds or a Single Bond, as a Taxable Series of Bonds or a Tax-Exempt Series of Bonds, all as determined by the Designated Representative, pursuant to and for the purposes provided in this resolution.

(m) "Certificate of Eligibility" shall have the meaning set forth in Section 3(d) of this resolution.

(n) "Chief of Finance and Operations" means the District's Chief of Finance and Operations, or such other officer of the District who may in the future perform the duties of that office, if any

(o) "Code" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(p) "Debt Service Fund" means the Debt Service Fund of the District heretofore created pursuant to RCW 28A.320.330 for the payment of the Bonds and referred to in Section 16 of this resolution.

(q) "Designated Representative" means the officer(s) or employee(s) of the District appointed as such in Section 6 of this resolution, which officer(s) or employee(s) shall serve as the District's designated representative to take all actions authorized in this resolution.

(r) "District" means Yelm Community Schools, Thurston and Pierce Counties, Washington.

(s) "District Contribution" means legally available money of the District, in addition to proceeds of any Series of Bonds, necessary or advisable to accomplish any Refunding Plan, as determined by the Designated Representative.

(t) "DTC" means The Depository Trust Company, New York, New York, or its nominee.

(u) "Final Terms" means the terms and conditions for the sale of a Series of Bonds set forth in the Bond Purchase Agreement for such Series of Bonds, including the principal amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, prices, and minimum savings for that Series of Bonds.

(v) "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

(w) "Guarantee Program" means the Washington State School District Credit Enhancement Program as authorized in Article VIII, Section 1(e) of the Washington Constitution and chapter 39.98 RCW.

(x) "Issue Date" means, with respect to each Series of Bonds, the date of initial issuance and delivery of such Series of Bonds to the Purchaser in exchange for the purchase price of such Bonds.

(y) "Letter of Representations" means the Blanket Issuer Letter of Representations between the District and DTC, dated May 10, 2001, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(z) "MSRB" means the Municipal Securities Rulemaking Board.

(aa) "Negotiated Bonds" means any Series of Bonds issued in a negotiated sale to the Purchaser serving as an underwriter pursuant to a Bond Purchase Agreement.

(bb) "Owner" means, without distinction, the Registered Owner and the Beneficial Owner.

(cc) "President" means the President of the Board (including the Vice President of the Board in case of the President's absence or disability), or any presiding officer or titular head of the Board, or any successor to the functions of the President.

(dd) "Purchaser" means the corporation, firm, association, partnership, trust, bank, or other legal entity or group of entities, and its successors and assigns, selected by the Designated Representative to purchase any Series of Bonds.

(ee) "Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in the United States Securities and Exchange Commission Rule 144A.

(ff) "Rating Agency" means any nationally recognized rating agency then maintaining a rating on any Series of Bonds at the request of the District.

(gg) "RCW" means the Revised Code of Washington.

(hh) "Record Date" means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 11(d) of this resolution.

(ii) "Redemption Date" means a date, on or after December 1, 2020, but not later than 90 days after the Issue Date of the Bonds, selected and fixed by the Designated Representative for redemption of Refunded Bonds.

(jj) "Refunded Bonds" means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with proceeds of Bonds and included in a Refunding Plan.

(kk) "Refunding Candidates" shall have the meaning set forth in Section 3(a) of this resolution.

(ll) "Refunding Plan" means, with respect to the issuance of any Series of Bonds, the refunding of the Refunded Bonds through the issuance of such Series in the manner determined by the Designated Representative pursuant to this resolution and more particularly described in the applicable Bond Purchase Agreement and/or Refunding Trust Agreement.

(mm) "Refunding Trust Agreement" means a refunding trust agreement between the District and the Refunding Trustee relating to the use of proceeds of a particular Series of Bonds to redeem Refunded Bonds, which agreement will be dated the Issue Date of such Series of Bonds, all as further described in Section 17 of this resolution.

(nn) "Refunding Trustee" means U.S. Bank National Association of Seattle, Washington, or any successor trustee or escrow agent selected by the Designated Representative to serve as refunding trustee to carry out a Refunding Plan.

(oo) "Registered Owner" means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the District utilizes the book–entry only system for any Negotiated Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(pp) "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(qq) "SEC" means the United States Securities and Exchange Commission.

(rr) "Secretary" means the Secretary to the Board, or other officer of the District who is the custodian of the records and proceedings of the Board, or any successor to the functions of the Secretary.

(ss) "Securities Depository" means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(tt) "Series of Bonds" or "Series" means a series of Bonds issued pursuant to and for the purposes provided in this resolution.

(uu) "Single Bond" means any Series of Bonds issued as a single bond in a private placement to the Purchaser pursuant to a Bond Purchase Agreement.

(vv) "State" means the State of Washington.

(ww) "System of Registration" means the system of registration for the District's bonds and other obligations set forth in the District's Resolution No. 05-10-01-43.

(xx) "Taxable Series of Bonds" means any Series of Bonds issued as taxable bonds as determined by the Designated Representative pursuant to the parameters for Final Terms set forth in Exhibit A and identified in the Bond Purchase Agreement for such Series of Bonds.

(yy) "Tax-Exempt Series of Bonds" means any Series of Bonds issued as tax-exempt bonds as determined by the Designated Representative pursuant to the parameters for Final Terms set forth in Exhibit A and identified in the Bond Purchase Agreement for such Series of Bonds.

(zz) "Term Bonds" means any Negotiated Bonds designated as Term Bonds and subject to mandatory redemption in the years and amounts set forth in a Bond Purchase Agreement.

(aaa) "Treasurer" means the Treasurer of Thurston County, Washington, as *ex officio* treasurer of the District.

(bbb) "Undertaking" means the undertaking to provide continuing disclosure authorized to be entered into with respect to Negotiated Bonds pursuant to Section 18(c) of this resolution.

Section 2. Rules of Interpretation. In this resolution, unless the context or use otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein" and any similar terms refer to this resolution as a whole and not to any particular section, paragraph, clause or subdivision of this resolution, and the term "heretofore" shall mean before the date of this resolution;

(b) 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;

(c) The terms: (i) "includes" and "including" shall not be limiting; (ii) "or" shall not be exclusive; and (iii) "person" or "persons" shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) The cover page, the table of contents and any headings preceding the text of the several sections and paragraphs of this resolution, and any 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; and

(e) All references herein to "sections," "paragraphs, "clauses" and other subdivisions are to the corresponding sections, paragraphs, clauses or subdivisions hereof.

Section 3. Findings and Determinations. The Board takes note of the following facts and makes the following findings and determinations:

(a) The District issued the 2010 Bonds pursuant to the 2010 Resolution and by the 2010 Resolution reserved the right and option to redeem the 2010 Bonds maturing on December 1 in the years 2021 and 2022, prior to their stated maturity dates at any time on or after December 1, 2020, as a whole or in part (within one or more maturities selected by the District and randomly within a maturity in such manner as the Bond Registrar shall determine), at par, plus accrued interest to the date fixed for redemption. There is presently outstanding $7,505,000 principal amount of the 2010 Bonds maturing on December 1 in the years 2021 and 2022, and bearing interest at the rates of 4.25% and 3.75% *per annum*, respectively, that may be refunded under the 2010 Resolution (the "Refunding Candidates").

(b) After due consideration, it appears to the Board that the Refunded Bonds may be refunded by the issuance, sale and delivery of the Bonds authorized and described herein, so long as a substantial savings will be achieved as a result of the difference between the principal and interest cost over the life of such Bonds and the principal and interest cost over the life of the Refunded Bonds but for such refunding, as further set forth in Section 17(g) of this resolution. The Board deems it to be in the best interests of the District to issue, sell and deliver the Bonds, subject to the provisions of this resolution, to accomplish the Refunding Plan. To effect the Refunding Plan in the manner that will be most advantageous to the District, the Board finds it necessary and advisable that the proceeds of the sale of the Bonds, together with the District Contribution, if any, be held as uninvested cash and/or applied to purchase certain Acquired Obligations bearing interest and maturing at the time or times, and as necessary to accomplish the Refunding Plan.

(c) The Board, pursuant to RCW 39.46.040(2), desires to delegate authority to the Secretary and the Chief of Finance and Operations, for a limited time, to accept the Final Terms of, and execute, one or more Bond Purchase Agreements, subject to the parameters for

such Final Terms set forth in this resolution, and to take such other actions as are specifically authorized in this resolution.

(d) Pursuant to the District's request (which request was set forth in Resolution No. 14-19-20, adopted by the Board on August 20, 2020) and the Guarantee Program, the Treasurer of the State has issued or will issue a certificate of eligibility to the District (the "Certificate of Eligibility") pledging the full faith, credit, and taxing power of the State to guarantee the payment, when due, of the principal of and interest on the Bonds as provided in the Certificate of Eligibility, and the Board hereby deems that participation in the Guarantee Program is in the District's best interests.

Section 4. Authorization of Bonds. The District is hereby authorized to issue, sell and deliver one or more Series of Bonds (as determined by the Designated Representative pursuant to the parameters for the Final Terms set forth in Exhibit A, which is attached to this resolution and incorporated herein by this reference) for the purpose of providing the money required, together with the District Contribution, if any, to accomplish one or more Refunding Plans, including paying the administrative costs of the refunding and the costs related to the issuance, sale and delivery of such Series of Bonds.

Section 5. Description of Bonds. The Bonds shall be designated the Yelm Community Schools, Thurston and Pierce Counties, Washington, Unlimited Tax General Obligation Refunding Bonds, 2020 (unless otherwise designated pursuant to the parameters for the Final Terms set forth in Exhibit A). The Bonds shall be issued in the aggregate principal amount of not to exceed $7,900,000, as further set forth in the parameters for the Final Terms in Exhibit A; shall be in the applicable Authorized Denomination(s); and shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. Each Series of Bonds shall be dated the Issue Date of such Series, shall bear interest from such Issue Date at the rate or rates and shall mature in the years and principal amounts, including the designation of Term Bonds, if any, all as set forth in the Bond Purchase Agreement for such Series accepted by the Designated Representative pursuant to Section 6 of this resolution.

Section 6. Appointment of Designated Representative; Setting Parameters with Respect to the Final Terms; Approval of Bond Purchase Agreements; Expiration of Authority. Pursuant to RCW 39.46.040(2), the Secretary and the Chief of Finance and Operations each are appointed as the District's Designated Representative, and each of them acting alone is authorized and directed on the District's behalf to accept the Final Terms of, and execute, one or more Bond Purchase Agreements, subject to the parameters for Final Terms set forth in Exhibit A, and to take such other actions as are specifically authorized to be taken by the Designated Representative in this resolution. The signature of one Designated Representative shall be sufficient to bind the District. Final Terms shall be confirmed in each Bond Purchase Agreement and/or separate certificate(s) approved and executed by the Designated Representative in connection with the issuance of each Series of Bonds. The authority granted to the Designated Representative by this Section 6, and the authority to issue any Series of Bonds pursuant to this resolution, shall expire on December 31, 2020 (but only with respect to any Series of Bonds not issued by such date). The Issue Date of any Series of Bonds shall occur before December 31,

2020. Any Series of Bonds not issued by such date may be reauthorized by resolution of the Board, which resolution may be in the form of a new or amendatory resolution.

Section 7. Registration of Bonds; Bond Register; Bond Registrar.

(a) Registration of Bonds; Bond Register. The Bonds of each Series shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register maintained for such Series. The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner.

(b) Bond Registrar; Duties. Pursuant to RCW 39.46.030(3)(b), the Treasurer has appointed the Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of each Series of Bonds, which shall be open to inspection by the District at all times. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) Securities Depository; Book-Entry Only Form. If a Negotiated Bond is issued in book-entry only form, DTC is appointed as initial Securities Depository and each such Negotiated Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Negotiated Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Negotiated Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository, or (ii) the District terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the District nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner of a Negotiated Bond registered in the name of the Securities Depository except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 8. Transfer of Bonds.

(a) Single Bond. A Single Bond may be assigned or transferred only: (i) in whole; (ii) to a single investor that is a Qualified Institutional Buyer; (iii) if endorsed in the manner provided thereon and surrendered to the Bond Registrar; and (iv) if the transferee provides the Bond Registrar with an executed transfer certificate in substantially the form to be attached to the Single Bond. Any such transfer shall comply with State and federal law, as applicable, and shall be without cost to the Registered Owner or transferee (other than any cost incurred by the Registered Owner or transferee in preparing and delivering such transfer certificate) and shall be noted on the Bond Register. The Bond Registrar shall not be obligated to assign, transfer or convey the Single Bond during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(b) Negotiated Bonds. Any Negotiated Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any applicable Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. Any Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

Section 9. Form and Execution of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this resolution and State law and shall be signed by the President and the Secretary, either or both of whose signatures may be manual or in facsimile. The Bonds of each Series shall be printed at District expense and shall be delivered to the Purchaser in accordance with the Bond Purchase Agreement for such Series, together with the approving legal opinion of Bond Counsel regarding the Bonds of such Series.

No Bond shall be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Bond bears a certificate of authentication manually signed by the Bond Registrar stating: "This Bond is [one of] the fully registered Yelm Community Schools, Thurston and Pierce Counties, Washington, Unlimited Tax General Obligation Refunding Bond[s], 2020 [Series designation, if any], described in the Bond Resolution." A minor deviation in the language of such certificate (including a deviation in the designation of the Bonds authorized by Exhibit A hereto) shall not void a certificate of authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a certificate of authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose manual or facsimile signature appears on the Bonds ceases to be an officer of the District authorized to sign bonds before the Bonds bearing his or her manual or facsimile signature are authenticated or delivered by the Bond Registrar or issued by the District, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the District as though that individual had continued to be an officer of the District authorized to sign bonds. Any Bond also may be signed on behalf of the District by any individual who, on the actual date of signing of the Bond, is an officer of

the District authorized to sign bonds, although he or she did not hold the required office on the Issue Date applicable to such Bond.

Section 10. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository are payable in the manner set forth in the Letter of Representations. Principal of and interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the District is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. The final installment of principal of each Bond not registered in the name of the Securities Depository is payable only upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 11. Redemption and Prepayment Provisions; Purchase of Bonds.

(a) Optional Redemption or Prepayment. The Bonds may be subject to redemption or prepayment at the option of the District on terms acceptable to the Designated Representative, as set forth in a Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) Mandatory Redemption of Negotiated Bonds. Each Negotiated Bond that is designated as a Term Bond in a Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A, if not previously redeemed under any optional redemption provisions or purchased and surrendered for cancellation under the provisions as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts set forth in such Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) Selection of Negotiated Bonds for Redemption; Partial Redemption of Negotiated Bonds. If fewer than all of the outstanding Negotiated Bonds are to be redeemed at the option of the District, the District shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Negotiated Bonds within a single maturity of a Series are to be redeemed, the Securities Depository shall select Negotiated Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Negotiated Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Negotiated Bond that is to be redeemed may be redeemed in any Authorized Denomination for Negotiated Bonds. If less than all of the outstanding principal amount of any Negotiated Bond is redeemed,

upon surrender of that Negotiated Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Negotiated Bond (or Negotiated Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) Notice of Redemption or Prepayment. Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption or prepayment of each other Bond, unless waived by the Registered Owner or otherwise specified in the Bond Purchase Agreement, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption or prepayment by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption or prepayment notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the District shall determine, but these additional mailings shall not be a condition precedent to the redemption or prepayment of any Bond.

(e) Rescission of Optional Redemption or Prepayment Notice. In the case of an optional redemption or prepayment, the notice of redemption or prepayment may state that the District retains the right to rescind the redemption or prepayment notice and the redemption or prepayment by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption or prepayment. Any notice of optional redemption or prepayment that is so rescinded shall be of no effect, and each Bond for which a notice of redemption or prepayment has been rescinded shall remain outstanding.

(f) Effect of Redemption or Prepayment. Interest on each Bond called for redemption or prepayment shall cease to accrue on the date fixed for redemption or prepayment, unless either the notice of optional redemption or prepayment is rescinded as set forth above, or money sufficient to effect such redemption or prepayment is not on deposit in the Debt Service Fund or in a trust account established to refund or defease the Bond.

(g) Purchase of Bonds. The District reserves the right to purchase any or all of the Bonds offered to the District at any time at any price acceptable to the District plus accrued interest to the date of purchase.

Section 12. Failure To Pay Principal. If the principal of any Bond is not paid when due, the District shall, unless otherwise provided in the Bond Purchase Agreement, be obligated to pay interest on that unpaid principal at the same rate provided in the Bond from and after the scheduled payment date until that principal, including interest accrued thereon, is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Fund, or in a trust account established to refund or defease that principal amount, and that principal amount has been called for payment by giving notice of that call to the Registered Owner.

Section 13. Pledge of Taxes. For as long as any principal of the Bonds remains outstanding, the District irrevocably pledges to levy taxes annually without limitation as to rate

or amount on all of the taxable property within the District in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 14. Tax Covenants.

(a) Interest on Taxable Series of Bonds. Interest on any Taxable Series of Bonds will not be excluded from gross income of the Owner of such Taxable Series of Bonds for federal income tax purposes.

(b) Preservation of Tax Exemption for Interest on Tax-Exempt Series of Bonds. The District covenants that it will take all actions necessary to prevent interest on any Tax-Exempt Series of Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of such Tax-Exempt Series of Bonds or other funds of the District treated as proceeds of such Tax-Exempt Series of Bonds that will cause interest on such Tax-Exempt Series of Bonds to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to any Tax-Exempt Series of Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with such Tax-Exempt Series of Bonds.

(c) Post-Issuance Compliance. The Secretary is authorized and directed to adopt, amend and implement, on behalf of the District, written procedures to facilitate compliance by the District with the covenants in this Section 14 and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on any Tax-Exempt Series of Bonds from being included in gross income for federal income tax purposes.

(d) Designation of Tax-Exempt Series of Bonds as "Qualified Tax-Exempt Obligations." The Designated Representative is authorized to designate any Tax-Exempt Series of Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code if the Designated Representative determines and certifies, on behalf of the District, that:

(i) such Tax-Exempt Series of Bonds does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which such Tax-Exempt Series of Bonds will be issued will not exceed the maximum amount then permitted by Section 265(b)(3) of the Code, currently $10,000,000; and

(iii) the amount of tax-exempt obligations, including such Tax-Exempt Series of Bonds, so designated by the District as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which such Tax-Exempt

Series of Bonds will be issued does not exceed the maximum amount then permitted by Section 265(b)(3) of the Code, currently $10,000,000.

Section 15. Refunding or Defeasance of the Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding, prepayment or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the "defeased Bonds"); (b) redeeming or prepaying the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the District sets aside in a special trust fund or escrow account irrevocably pledged to that redemption, prepayment or defeasance (the "trust account"), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, prepay, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the District may apply money remaining in any fund or account (other than the trust account) established for the payment, redemption or prepayment of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption or prepayment of Bonds.

Section 16. Debt Service Fund and Deposit of Bond Proceeds.

(a) From the proceeds received from the sale of each Series of Bonds, the Treasurer is authorized and directed to deposit in the Debt Service Fund any net premium and/or rounding (contingency) amounts that are not necessary to carry out the applicable Refunding Plan (which net premium and/or rounding amounts shall be used to pay interest on that Series of Bonds on their earliest interest payment dates), and the remaining proceeds received from the sale of such Bonds, together with the District Contribution, if any, shall be deposited with the Refunding Trustee in accordance with the provisions of Section 17 of this resolution.

(b) The principal of and interest on the Bonds of each Series and on all other outstanding unlimited tax general obligation bonds of the District when due, shall be paid from the Debt Service Fund. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Debt Service Fund. Until needed to pay principal of and interest on the Bonds, the District may invest taxes collected for and allocated to the payment of the principal of and interest on the Bonds temporarily in any legal investment, and the investment earnings shall be retained in the Debt Service Fund and be spent for the purposes of that fund, except that the Board may authorize the transfer and credit of all or a portion of such investment earnings to another fund of the District pursuant to RCW 28A.320.320.

Section 17. Refunding of the Refunded Bonds.

(a) Appointment of the Refunding Trustee. Pursuant to RCW 39.53.070, the Refunding Trustee is hereby appointed to serve as trustee to oversee the safekeeping and application of the Bond proceeds and the District Contribution, if any, delivered to it.

(b) Use of Bond Proceeds; Acquisition of Acquired Obligations. All of the proceeds of the sale of any Series of Bonds, exclusive of any net premium and/or rounding (contingency) amounts required to be deposited into the Debt Service Fund pursuant to Section 16 of this resolution shall be deposited immediately with the Refunding Trustee upon receipt and used, together with the District Contribution, if any, to discharge the obligations of the District under the 2010 Resolution relating to the Refunded Bonds to be redeemed with proceeds of such Series of Bonds by providing for the payment of the amounts required to be paid by the Refunding Plan pertaining to such Series of Bonds. To the extent practicable, the obligations of the District under the 2010 Resolution relating to the Refunded Bonds shall be discharged fully by the Refunding Trustee holding the proceeds of the sale of such Series of Bonds as uninvested cash and/or applying such proceeds to purchase Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amounts required to be paid pursuant to such Refunding Plan. If purchased, the Acquired Obligations shall be listed and more particularly described in the applicable Refunding Trust Agreement, but are subject to substitution as set forth below. The Designated Representative is authorized and directed to approve: (i) any Acquired Obligations to be purchased; and/or (ii) the amount of uninvested cash to be held by the Refunding Trustee. Any proceeds of a Series of Bonds or other money deposited with the Refunding Trustee not needed to carry out and accomplish the Refunding Plan pertaining to such Series of Bonds shall be returned to the District as soon as reasonably practicable following the Issue Date of such Series. Any proceeds of such Series of Bonds so returned to the District shall be deposited in the Debt Service Fund to pay interest on the Bonds of such Series on their first interest payment date.

(c) Substitution of Acquired Obligations. Prior to the purchase of any Acquired Obligations, the District reserves the right to substitute other money and/or noncallable, nonprepayable Government Obligations ("Substitute Obligations") for any of such Acquired Obligations if, (a) in the opinion of Bond Counsel the interest on the Series of Bonds and the associated Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148 and 149(d) of the Code, if applicable, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the applicable Refunding Plan, as verified by a nationally recognized independent certified public accounting firm. The District may use any savings created by the foregoing substitution to pay interest on the Bonds of that Series on their first interest payment date.

After the purchase of Acquired Obligations by the Refunding Trustee, the District reserves the right to substitute therefor money and/or Substitute Obligations subject to the conditions that such money or Substitute Obligations held by the Refunding Trustee shall be sufficient to carry out the applicable Refunding Plan, that such substitution will not cause the Bonds of the applicable Series and the associated Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such

substitution and applicable to obligations issued on the Issue Date of the applicable Series, and that the District obtains, at its expense: (i) a verification by a nationally recognized independent certified public accounting firm confirming that the payments of principal of and interest on the Substitute Obligations, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the applicable Refunding Plan; and (ii) an opinion from Bond Counsel to the effect that the disposition and substitution or purchase of such Substitute Obligations, under the statutes, rules and regulations then in force and applicable to the Series of Bonds or the associated Refunded Bonds, will not cause the interest on such Bonds or the associated Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Series of Bonds or the associated Refunded Bonds. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the District to be used to pay debt service on such Series of Bonds.

(d) Administration of Refunding Plan. The Refunding Trustee is authorized and directed to hold uninvested cash and/or purchase and hold the Acquired Obligations (or Substitute Obligations) and to make the payments required to be made pursuant to each Refunding Plan pursuant to this resolution and that particular Refunding Plan. All Acquired Obligations (or Substitute Obligations) and money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably and applied in accordance with the provisions of the 2010 Resolution, this resolution, chapter 39.53 RCW and other applicable laws of the State and the applicable Refunding Trust Agreement. All necessary and proper fees, compensation and expenses of the Refunding Trustee and all other costs incidental to the setting up of the escrow to accomplish any Refunding Plan and costs related to the issuance, sale and delivery of each Series of Bonds, including bond printing, rating service fees, verification fees, Bond Counsel's fees and other related expenses, shall be paid out of the proceeds of such Series of Bonds.

(e) Authorization for Refunding Trust Agreement. To carry out each Refunding Plan provided for by this resolution, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement for each Series of Bonds setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption and retirement of the Refunded Bonds applicable to such Refunding Plan as provided herein and stating that the provisions for payment of the fees, compensation and expenses of such Refunding Trustee set forth in the respective Refunding Trust Agreement are satisfactory to it.

(f) Call for Redemption of the Refunded Bonds. The District calls for redemption on the Redemption Date all of the Refunded Bonds to be refunded by any Series of Bonds at the price of par plus accrued interest. Such call for redemption shall be irrevocable on the Issue Date of such Series of Bonds. The Refunding Trustee is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the 2010 Resolution and the applicable Refunding Trust Agreement in order to effect the redemption of the Refunded Bonds prior to their stated maturity dates.

(g) District Findings with Respect to Refunding. Prior to the execution of any Bond Purchase Agreement, the Designated Representative must determine, on behalf of the

District, that the issuance, sale and delivery of that particular Series of Bonds will effect a net present value savings to the District of at least the percentage specified in the parameters for Final Terms set forth in Exhibit A. The Board finds and determines that such net present value savings is a substantial savings and that achieving such net present value savings by issuing Bonds is in the best interest of the District and in the public interest. In making the finding and determination that the issuance, sale and delivery of a Series of Bonds will effect the foregoing net present value savings, the Designated Representative shall give consideration to the interest to fixed maturities or principal installment payments, as applicable, of the Bonds of that Series and to the interest to fixed maturities of the Refunded Bonds to be refunded by such Series, the costs related to the issuance, sale and delivery of such Series and the known earned income from the investment of the proceeds of the issuance and sale of such Series and the District Contribution, if any, used in the particular Refunding Plan pending payment and redemption of the Refunded Bonds. The District finds and determines that (i) the money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with this Section 17 will discharge and satisfy the obligations of the District under the 2010 Resolution with respect to such Refunded Bonds, and the pledges, charges, trusts, covenants and agreements of the District in the 2010 Resolution made or provided for as to such Refunded Bonds, and (ii) such Refunded Bonds shall no longer be deemed to be outstanding under the 2010 Resolution immediately upon the deposit of such money with the Refunding Trustee.

Section 18. Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12 with respect to any preliminary official statement prepared in connection with the sale of any Negotiated Bonds (the "Preliminary Official Statement"), the Designated Representative, on the District's behalf, is authorized and directed to: (i) review and "deem final" that Preliminary Official Statement as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12; (ii) authorize the distribution by the Purchaser of the "deemed final" Preliminary Official Statement to potential purchasers of the Negotiated Bonds; and (iii) acknowledge in writing any action taken pursuant to clauses (i) and (ii) of this paragraph.

(b) Official Statement. The Designated Representative is hereby authorized to review and approve on behalf of the District a final official statement (the "Official Statement") with respect to any Negotiated Bonds, substantially in the form of the "deemed final" Preliminary Official Statement for such Negotiated Bonds and supplemented or amended as the Designated Representative determines necessary, desirable, or appropriate. The Designated Representative is authorized to execute each such Official Statement and the District is authorized to deliver or cause to be delivered that Official Statement to the Purchaser in the manner required by Rule 15c2-12, the MSRB and the applicable Bond Purchase Agreement.

(c) Undertaking to Provide Continuing Disclosure. If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for Negotiated Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of Negotiated Bonds in substantially the form attached to this resolution as Exhibit B, which is incorporated herein by this reference.

Section 19. Guarantee Program. The District is hereby authorized to participate in the Guarantee Program with respect to the Bonds and agrees to the terms and conditions for participating in the Guarantee Program, as prescribed in chapter 39.98 RCW and the rules promulgated thereunder.

Section 20. Supplemental and Amendatory Resolutions. The District may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the District.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this resolution in a manner that does not materially adversely affect the interests of Owners.

Section 21. General Authorization and Ratification. The Designated Representative, the President, the Treasurer, other appropriate officers of the District and Bond Counsel are severally authorized and directed to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this resolution and the Bond Purchase Agreements (including everything necessary for the prompt delivery of each Series of Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the sale of the Bonds). All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 22. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, holds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

[*Remainder of page intentionally left blank*]

Section 23. Effective Date of Resolution. This resolution takes effect from and after its adoption.

ADOPTED by the Board of Directors of Yelm Community Schools, Thurston and Pierce Counties, Washington, at a regular open public meeting held this 20th day of August, 2020, the following Directors being present and voting in favor of the resolution.

YELM COMMUNITY SCHOOLS
THURSTON AND PIERCE COUNTIES,
WASHINGTON

President and Director

Donna Edwards

Vice President and Director

Debbie Edwards

Director

Director

Bill Hauss

Director

ATTEST:

Brian Wharton

BRIAN WHARTON
Secretary to the Board of Directors

EXHIBIT A

Parameters for Final Terms

(a)	Principal Amount.	The Bonds may be issued in one or more Series (as determined by the Designated Representative) and shall not exceed the aggregate principal amount of $7,900,000. The principal amount of any Series of Bonds (i) may exceed the principal amount of the Refunded Bonds being refunded by an amount deemed reasonably required to effect the Refunding Plan pertaining to such Series of Bonds, or (ii) may be equal to or less than the principal amount of the Refunded Bonds being refunded, so long as the proceeds of any such Series of Bonds (together with the District Contribution, if any) are sufficient to effect the Refunding Plan pertaining to such Series of Bonds. To the extent the principal amount of any Series of Bonds exceeds the principal amount of the Refunded Bonds being refunded, such excess amount shall constitute nonvoted general obligation debt of the District for purposes of calculating debt capacity and shall be allocated, by the Designated Representative, to the earliest maturing principal of the Bonds of such Series.
(b)	Manner of Sale.	The Designated Representative is authorized to sell the Bonds as Negotiated Bonds by negotiated sale or as a Single Bond by private placement based on the Designated Representative's assessment of market conditions and in consultation with the District's staff and advisors.
(c)	Tax Status.	The Designated Representative, on behalf of the District, is authorized to determine whether any Series of Bonds will be issued as a Taxable Series of Bonds or a Tax-Exempt Series of Bonds, and to confirm the identification of any such Taxable Series of Bonds or Tax-Exempt Series of Bonds in the Bond Purchase Agreement applicable to such Series of Bonds.
(d)	Date or Dates.	Each Series of Bonds shall be dated its Issue Date, which date shall occur before December 31, 2020.
(e)	Denominations; Series Designation.	The Bonds shall be issued in the applicable Authorized Denomination(s). If the Bonds are issued as Negotiated Bonds, the designation of the Bonds shall be "Yelm Community Schools, Thurston and Pierce Counties, Washington, Unlimited Tax General Obligation Refunding Bonds, 2020." If the Bonds are issued as a Single Bond, the designation shall be "Yelm Community Schools, Thurston and Pierce Counties, Washington, Unlimited Tax General Obligation Refunding Bond, 2020." The designation of each Series of Bonds may include reference as to whether such Series of Bonds will be issued as a Taxable Series of Bonds or as a Tax-Exempt Series of Bonds. The designation of each Series of Bonds may include a series designation if multiple Series are issued or any other series designation, all as determined by the Designated Representative. Conforming changes shall be made in the certificate(s) of authentication authorized by Section 9 of this resolution.

(f) Interest Rate(s).

The Bonds of each Series shall bear interest at fixed rates *per annum* (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date for such Series or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later. The Designated Representative is authorized to select the rate or rates of interest for any Bond of any Series; provided that, no rate of interest for any Bond may exceed 5.00%, and the true interest cost (the "TIC") for each Series of Bonds shall not exceed 4.00%.

(g) Payment Dates.

Interest on each Series of Bonds shall be payable semiannually (on each June 1 and December 1), commencing on the date selected by the Designated Representative that is no later than 12 months following the Issue Date of such Series of Bonds. Principal shall be payable on such date(s) and in such amount(s) as are selected by the Designated Representative; provided that, principal shall only be payable on June 1 and/or December 1 in any given year. The annual principal and interest payments on each Series of Bonds shall be consistent with RCW 39.53.090.

(h) Redemption Rights.

The Designated Representative may approve in a Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, subject to the following:

(1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in a Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in a Bond Purchase Agreement.

(i) Price.

The Aggregate Purchase Price for each Series of Bonds shall not be less than 98% or more than 130% of the aggregate stated principal amount of such Series of Bonds.

(j) Section 265(b)(3) Designation.

Pursuant to Section 14(d) of this resolution, the Designated Representative shall designate any qualifying Tax-Exempt Series of Bonds as "qualified-tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

(k) Selection of Refunded Bonds.

Under the terms and conditions of this resolution, the Designated Representative is authorized to select the Refunded Bonds to be refunded by each Series of Bonds. Refunded Bonds, as selected by the Designated Representative, shall be identified in the applicable Bond Purchase Agreement or separate certificate approved and executed by the Designated Representative or the applicable Refunding Trust Agreement.

(l) Selection of Redemption Date of the Refunded Bonds.

Under the terms and conditions of this resolution, the Designated Representative is authorized to select and fix the Redemption Date of the Refunded Bonds to be refunded by each Series of Bonds.

(m) Minimum Savings.

Each Series of Bonds shall produce a minimum net present value savings to the District of 1.50% (as a percentage of the Refunded Bonds refunded by such Series). Net present value savings means the present value of difference between annual debt service on the Refunded Bonds and the annual debt service on the Bonds, discounted to the Issue Date using the yield on the Bonds as the discount rate. For this purpose, the net present value of savings in annual debt service shall be (i) increased by any net premium and/or rounding (contingency) amounts required to be deposited into the Debt Service Fund pursuant to Section 16(a) of this resolution on the Issue Date, and (ii) reduced by the amount of the District Contribution, if any, made on the Issue Date. The minimum net present value savings required by this paragraph (m) shall be determined separately for the net present value savings attributable to each Series of Bonds.

(n) Final Maturity.

The final maturity date of each Series of Bonds shall not exceed the final maturity date of the Refunded Bonds refunded by such Series.

(o) Certificate of Eligibility.

No Series of Bonds may be issued without a valid Certificate of Eligibility.

(p) Other Terms and Conditions.

(1) No Series of Bonds may be issued if it would cause the indebtedness of the District to exceed the District's legal debt capacity on the Issue Date.

(2) The Designated Representative is authorized to determine the amount of the District Contribution and cause the Treasurer to transfer the District Contribution to the Refunding Trustee.

(3) The Designated Representative, in consultation with the Purchaser, may determine that it is in the District's best interest to provide for bond insurance or other credit enhancement, and may accept, on behalf of the District, such additional terms, conditions, and covenants as may be required by the bond insurer, if consistent with the provisions of this resolution.

(4) The Designated Representative is authorized to take such additional action as may be necessary or convenient for the issuance of Bonds pursuant to the terms of this resolution.

EXHIBIT B

Form of Undertaking To Provide Continuing Disclosure

Yelm Community Schools, Thurston and Pierce Counties, Washington
Unlimited Tax General Obligation Refunding Bonds, 2020

Yelm Community Schools, Thurston and Pierce Counties, Washington (the "District"), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the "Bonds") issued pursuant to the District's Resolution No. 15-19-20, adopted by the Board of Directors of the District on August 20, 2020 (the "Bond Resolution"), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in the Bond Resolution.

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b)(i) ("annual financial information");

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District, as such "Bankruptcy Events" are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights,

or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "financial obligation" means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12; and

(iii) Timely notice of a failure by the District to provide the required annual financial information described in paragraph (b)(i) on or before the date specified in paragraph (b)(ii).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the District undertakes to provide in paragraph (a):

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State, such as the District, as such principles may be changed from time to time and as permitted by State law; (2) a statement of authorized, issued and outstanding general obligation debt of the District; (3) the assessed value of the property within the District subject to *ad valorem* taxation; and (4) *ad valorem* tax levy rates and amounts, and percentage of taxes collected;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the District (currently, a fiscal year ending August 31), as such fiscal year may be changed as required or permitted by State law, commencing with the District's fiscal year ending August 31, 2020; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

If not submitted as part of the annual financial information described in paragraph (b)(i) above, the District will provide or cause to be provided to the MSRB audited financial statements, when and if available.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the District and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The District's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the District's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the District to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel or other counsel familiar with federal securities laws delivered to the District, and the District provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the District learns of any failure to comply with this Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the District or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The District's Chief of Finance and Operations, or such other District official who may in the future perform the duties of that office, is the individual designated to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided in paragraph (a)(i);

(ii) Determining whether any failure to provide the annual financial information undertaken to be provided in paragraph (a)(i) has occurred and providing any notice undertaken to be provided in paragraph (a)(iii);

(iii) Determining whether any event specified in items (1)-(16) of paragraph (a)(ii) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any notice undertaken to be provided in paragraph (a)(ii) of its occurrence;

(iv) Determining whether any person other than the District is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(v) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the District in carrying out this Undertaking; and

(vi) Effecting any necessary amendment of this Undertaking.

CERTIFICATION

I, BRIAN WHARTON, Secretary to the Board of Directors of Yelm Community Schools, Thurston and Pierce Counties, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 15-19-20 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Directors of the District (the "Board") held on August 20, 2020 ("Meeting"), as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect;

2. Pursuant to the proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives, (a) the Meeting was not conducted in person, (b) options were provided for the public to attend the Meeting remotely, including by telephonic access and, as available, internet access, which options provided the ability for all persons attending the Meeting remotely to hear each other at the same time, and (c) the public was notified of the access options for remote participation via the District's website; and

3. The Meeting was duly convened and held in all respects in accordance with law, a quorum was present throughout the meeting through telephonic and/or internet means of remote access, and a sufficient number of members of the Board so present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of August, 2020.

YELM COMMUNITY SCHOOLS
THURSTON AND PIERCE COUNTIES,
WASHINGTON

Brian Wharton

BRIAN WHARTON
Secretary to the Board of Directors