

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION BONDS, 2020

RESOLUTION NO. 1146

A Resolution of the Board of Directors of Issaquah School District No. 411, King County, Washington, providing for the issuance and sale of unlimited tax general obligation bonds of the District in the aggregate principal amount of [\$67,540,000] for the purpose of providing funds required to construct, equip, modernize and make certain capital improvements to the facilities of the District as authorized by resolution of the Board of Directors, and approved by the qualified electors of the District at a special election held therein on April 26, 2016; providing the date, form, terms and maturities of the bonds to be issued and for annual tax levies to pay the principal thereof and interest thereon; and approving the sale of such bonds.

APPROVED ON MAY 28, 2020

PREPARED BY:

K&L GATES LLP
Seattle, Washington

DRAFT: Final amounts to be provided following sale of bonds (5/28/20)

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DRAFT: Final amounts to be provided following sale of bonds on 5-28-2020

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A Resolution of the Board of Directors of Issaquah School District No. 411, King County, Washington, providing for the issuance and sale of unlimited tax general obligation bonds of the District in the aggregate principal amount of [\$67,540,000] for the purpose of providing funds required to construct, equip, modernize and make certain capital improvements to the facilities of the District as authorized by resolution of the Board of Directors, and approved by the qualified electors of the District at a special election held therein on April 26, 2016; providing the date, form, terms and maturities of the bonds to be issued and for annual tax levies to pay the principal thereof and interest thereon; and approving the sale of such bonds.

WHEREAS, at an election held in Issaquah School District No. 411, King County, Washington (the "District"), on April 26, 2016, the number and proportion of the qualified electors of the District required by law for the adoption thereof voted in favor of a proposition authorizing the issuance of unlimited tax general obligation bonds of the District in the aggregate principal amount of \$533,500,000 (the "2016 Authorization") to provide funds to pay part of the cost of constructing, equipping, modernizing and making other capital improvements to the facilities of the District as authorized by Resolution No. 1063, adopted on October 28, 2015, of the Board of Directors (the "Board"); and

WHEREAS, Resolution No. 1063 was amended by Resolution No. 1093, adopted by the Board of Directors on June 14, 2017 (which Resolution No. 1063, as amended by Resolution No. 1093 and as such resolutions may be further amended by the Board is herein referred to as the "Election Resolution"); and

WHEREAS, the District issued and sold a first series of such bonds in the amount of \$134,890,000 (utilizing, together with premium in the amount of \$15,125,000, a total of \$150,015,000 of the Bond Authorization) under date of July 28, 2016, to provide part of the funds necessary to make the improvements approved in the Election Resolution; and

WHEREAS, the District issued and sold a second series of such bonds in the amount of \$104,330,000 (utilizing, together with premium in the amount of \$20,670,000, a total of \$125,000,000 of the Bond Authorization) under date of August 23, 2017, to provide part of the funds necessary to make the improvements approved in the Election Resolution; and

WHEREAS, the District issued and sold a third series of such bonds in the amount of \$87,180,000 (utilizing, together with premium in the amount of \$12,820,000, a total of \$100,000,000 of the Bond Authorization) under date of June 28, 2018, to provide part of the funds necessary to make the improvements approved in the Election Resolution; and

WHEREAS, the District issued and sold a fourth series of such bonds in the amount of \$71,740,000 (utilizing, together with premium in the amount of \$8,260,000, a total of \$80,000,000 of the Bond Authorization) under date of July 16, 2019, to provide part of the funds necessary to make the improvements approved in the Election Resolution; and

WHEREAS, it is deemed necessary and advisable that the District now issue and sell a fifth and final series under the 2016 Authorization, in the principal amount of [\$67,540,000], (utilizing, together with premium in the amount of [\$10,945,000], a total of \$78,485,000 of the Bond Authorization) to provide funds necessary to construct, equip, modernize and make capital improvements authorized by the Election Resolution (hereinafter defined as the “Bonds”); and

WHEREAS, the District has received the offer of Piper Sandler & Co. (the “Underwriter”), to purchase the Bonds, and the Board wishes to accept such offer on the terms and conditions set forth therein and herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

Beneficial Owner means the beneficial owner of all or a portion of a Bond while such Bond is in fully immobilized form.

Board of Directors means the duly constituted Board of Directors as the general legislative authority of the District.

Bond Register means the registration books maintained by the Bond Registrar setting forth the names and addresses of owners of the Bonds in compliance with Section 149 of the Code.

Bond Registrar means, initially, the fiscal agent of the State of Washington, whose duties include registering and authenticating the Bonds, maintaining the Bond Register, transferring ownership of the Bonds, and paying the principal of and interest on the Bonds and shall include any successor institution appointed as Bond Registrar by the Treasurer.

Bonds mean the Issaquah School District No. 411, King County, Washington, Unlimited Tax General Obligation Bonds, 2020, to be issued in the principal amount of [\$67,540,000] pursuant to this resolution.

Bond Year means each one-year period that ends on the date selected by the District. The first and last Bond Years may be short periods. If no day is selected by the District before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

Capital Projects Fund means the special fund of the District established pursuant to RCW 28A.320.330(2), into which fund certain proceeds of the Bonds shall be deposited.

DRAFT - Final amounts to be provided following sale of bonds on 5-28-2020

Code means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

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

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

Designated Representative means the Superintendent or Chief Financial Officer of the District.

District means Issaquah School District No. 411, King County, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 3 hereof.

Election Resolution means Resolution No. 1063 of the District, adopted by the Board of Directors on October 28, 2015, as amended by Resolution No. 1093, adopted by the Board of Directors on June 14, 2017, as such Resolution(s) may be further amended by the Board of Directors in accordance with RCW 28A.530.020.

EMMA means the MSRB's Electronic Municipal Market Access system currently located at www.emma.msrb.org.

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

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

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the SEC, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through EMMA.

Net Proceeds, when used with reference to the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount.

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 expenses.

Purchase Contract means the bond purchase contract between the District and the Underwriter provided for in Section 10 of this resolution.

Record Date means the close of business on the 15th day prior to each day on which a payment of interest on the Bonds is due and payable.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the SEC's Rule 15c2-12 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.

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

Treasurer means the Finance and Business Operations Division of the Department of Executive Services of King County, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

Underwriter means Piper Sandler & Co., Seattle, Washington.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) 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;

(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) 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;

(d) 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; and

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

Section 2. Authorization of Bonds. The District shall now issue and sell [\$67,540,000] as the fifth series of unlimited tax general obligation bonds (the “Bonds”), authorized by the qualified electors of the District at a special election held on April 26, 2016, for the purpose of providing the funds required to construct, equip, modernize and make certain capital improvements to facilities of the District. The Bonds shall be designated as the “Issaquah School District No. 411, King County, Washington, Unlimited Tax General Obligation Bonds, 2020”; shall be dated as of the date of their initial delivery; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date payable on the first days of each June and

December, commencing on December 1, 2020, at the following interest rates; and shall mature in the years and in the principal amounts set forth, as follows:

Maturity Dates (December 1)	Principal Amounts	Interest Rates
2021	\$	%
2022		
2023		
2024		
2027		
2028		
2029		
2030		
2031		
2032		
2033		

[(¹) Term Bond.]

Section 3. Registration, Payment and Transfer.

(a) *Bond Registrar/Bond Register.* The District hereby requests that the Treasurer specify and adopt the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agent. The District shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration of transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar, DTC, each entity entitled to receive notice pursuant to Section 12 of this resolution, and a successor Bond Registrar appointed by the Treasurer. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Bond Registrar's

powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The District and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 12 of this resolution), and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 3(h) shall be valid and shall satisfy and discharge the liability of the District upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, the District has executed and delivered to DTC a Letter of Representations.

Neither the District nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the 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 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 District to the Bond 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 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 (except as provided in Section 12 of this resolution), 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 Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative 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 Designated Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative 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 Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request from the Designated Representative, issue a single new Bond for each maturity 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 Designated Representative.

(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 Designated Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Designated Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Board to the Bond Registrar, new 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.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless such Bond is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity, redemption provisions and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing

on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, redemption provisions and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding the date any such Bond is to be redeemed.

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

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

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, and principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal

office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.

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

Section 4. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds maturing on and prior to December 1, 2029, are not subject to optional redemption prior to maturity. The Bonds maturing on and after December 1, 2030, shall be subject to redemption at the option of the District as a whole or in part within one or more maturities selected by the District on and after June 1, 2030, at a price of par plus accrued interest to the date of redemption.

(b) [*Mandatory Redemption.* The \$ _____ principal amount of Bonds maturing on December 1, 20 ____, that bear interest at the rate of ____% are subject to mandatory redemption at a price of par plus accrued interest to the date of redemption on December 1 of the following years in the following principal amounts:

Redemption Years	Redemption Amounts
20____	\$
20____*	

* Final Maturity]

(c) *Selection of Bonds for Redemption.* As long as the Bonds are held in book-entry only form, the selection of Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds and maturity to be redeemed shall be made as

provided in this subsection (b). If the District redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the District and Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Bond 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 Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized. If Bonds are called for optional redemption, portions of the principal amount of such Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, of like maturity and interest rate in any denomination authorized by this resolution.

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

(e) *Notice of Redemption.*

(1) Official Notice. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption (which notice may be conditional or may be rescinded at the option of the District) shall be given by the Bond Registrar on behalf of the District

by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

(A) the redemption date,
(B) the redemption price,
(C) any condition to an optional redemption,
(D) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(E) that (unless the notice of redemption has been rescinded or is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the redemption date if and to the extent that all conditions have been satisfied and funds have been provided to the Bond Registrar for the redemption of Bonds) on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date (if the conditions to redemption have been met and the notice of redemption has not been rescinded), the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. Unless the District has revoked or rescinded a notice of redemption (or unless the District provided a conditional notice and the conditions for redemption set forth therein are not satisfied), official notice of redemption having been given as aforesaid and funds have been provided to the Bond Registrar, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All 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 District 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 Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest, if any, borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive notice pursuant to

Section 12 of this resolution, and to the Underwriter or to its business successor, if any, and to such persons and with such additional information as the Designated Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) CUSIP Number. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the 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. Form of Bonds. The Bonds shall be in substantially the following form:

WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

Payment of principal of and interest on this bond, when due, is guaranteed by the full faith, credit and taxing power of the STATE OF WASHINGTON under the provisions of the Washington State School District Credit Enhancement Program.

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

ISSAQUAH SCHOOL DISTRICT NO. 411,
KING COUNTY

UNLIMITED TAX GENERAL OBLIGATION BOND, 2020

INTEREST RATE: _____ MATURITY DATE: _____ CUSIP NO.: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON (the “District”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2020, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first days of each June and December, commencing on December 1, 2020. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the District to DTC. Initially, the Finance and Business Operations Division of the Department of Executive Services of King County, as *ex officio* treasurer of the District (the “Treasurer”) has specified and adopted the registration system for the bonds of this issue specified by the State Finance Committee, and the fiscal agent of the State will act as registrar, paying agent and authenticating agent (the “Bond Registrar”).

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of [\$67,540,000] (the “Bonds”), and is issued pursuant to Resolution No. 1146 (the “Bond Resolution”) adopted by the Board on May 28, 2020, to provide funds to construct, equip, modernize and make certain capital improvements to the facilities of the school district as authorized by resolution of the Board of Directors and approved by the qualified electors of the District at a special election held therein on April 26, 2016. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Resolution.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Board of Directors, including the Bond Resolution.

The bonds of this issue are subject to redemption prior to their scheduled maturity as provided in the Bond Resolution.

The bonds of this issue are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The bonds of this issue are not “qualified tax-exempt obligations” under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.

The District hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the District without limitation as to rate or amount and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the District are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to

maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

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 Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF, Issaquah School District No. 411, King County, Washington has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and the seal of the District to be impressed, affixed or otherwise reproduced hereon as of this ____ day of _____, 2020.

ISSAQUAH SCHOOL DISTRICT
NO. 411, KING COUNTY,
WASHINGTON

[SEAL]

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

ATTEST:

/s/ manual or facsimile
Secretary, Board of Directors

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This is one of the Unlimited Tax General Obligation Bonds, 2020, of Issaquah School District No. 411, King County, Washington, dated _____, 2020, as described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENT,
Registrar

By _____
Authorized Signer

DRAFT: Final amounts to be provided following sale of bonds on 5/28/2020

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signatures of the President and Secretary of the Board, and the seal of the District shall be affixed, impressed or otherwise reproduced thereon.

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

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

Section 7. Pledge of Taxes and Credit. The District hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the District subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the District are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 8. Defeasance. In the event that money and/or noncallable Government Obligations, which are direct obligations of the United States or obligations unconditionally guaranteed by the United States, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the District to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

The Bond Registrar shall provide notice of defeasance of Bonds to Registered Owners and to each party entitled to receive notice in accordance with Section 12 of this resolution.

Section 9. Tax Covenants.

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

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

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

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

The District further covenants that, if:

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

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the District) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (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 refinanced with Bond proceeds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the projects to which the Private Person Use of such portion of such projects relates. The District further covenants that it will comply with any limitations on the use of the projects by

other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this Section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *No Designation under Section 265(b) of the Code.* The Bonds shall not be qualified tax-exempt obligations pursuant to Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.

Section 10. Sale of Bonds.

(a) *Sale of Bonds.* The Bonds shall be sold to the Underwriter under the terms of the Purchase Contract. The Board finds that the Purchase Contract that has been distributed to the Board is reasonable and that it is in the best interest of the District that the Bonds shall be sold upon the conditions set forth in the Purchase Contract. The District accepts the Purchase Contract and authorizes the Designated Representative to execute the Purchase Contract and deliver it to the Underwriter. The Bonds shall be issued and delivered to the Underwriter upon payment of the purchase price specified in the Purchase Contract.

(b) *Delivery of Bonds; Documentation.* Upon the adoption of this resolution, the proper officials of the District, including the Superintendent, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds to the Underwriter thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses for retained services, including

bond counsel, rating agencies, fiscal agent, financial advisory services and other expenses customarily incurred in connection with issuance and sale of bonds.

(c) *Final Official Statement.* The Designated Representative is hereby authorized to review and approve on behalf of the District the final Official Statement relative to the Bonds with such additions and changes as may be deemed necessary or advisable to either of them. Pursuant to the Rule, the District deems the preliminary Official Statement, dated May 19, 2020, as final as of its date except for the omission of information dependent upon the pricing of the Bonds and the completion of the Purchase Contract. The District authorizes the Underwriter to use the Official Statement, substantially in the form of the preliminary Official Statement, in connection with the sale of the Bonds. The proper District officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale thereof.

Section 11. Application of Bond Proceeds. From the money derived from the sale of the Bonds:

(a) *Premium.* Net premium, if any, on the Bonds shall be used to pay all or a portion of the costs of issuing and selling the Bonds, with the remainder, at the direction of the Designated Representative, to be deposited in the (1) Debt Service Fund and used to pay a portion of the interest on the Bonds coming due on the interest and principal payment dates occurring in 2020 and/or (2) Capital Projects Fund as provided in (b) below as part of the voter authorization in the Election Resolution.

(b) *Balance of Proceeds.* The remaining net proceeds derived from the Bonds shall be deposited in the Capital Projects Fund and shall be expended solely to pay the cost of issuing and selling the Bonds and the costs of constructing, equipping and making those certain capital

improvements to the facilities of the District authorized by the Election Resolution. None of the proceeds of the Bond shall be used for the replacement of equipment or for any other than a capital purpose. Proceeds of the Bonds may be invested by the Treasurer at the direction of the District in any legal investment for funds of school districts in the State of Washington.

Section 12. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the District’s written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The District agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board (“MSRB”), the following annual financial information and operating data for the prior fiscal year (commencing in 2021 for the fiscal year ended August 31, 2020):

1. Annual financial statements, which statements may be or may not be audited, showing ending fund balances for the District’s general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Superintendent of Public Instruction and the Washington State Auditor under RCW 28A.505.020, RCW 28A.505.090, RCW 28A.505.140 and RCW 43.09.200 (or any successor statutes) and generally of the type included in the official statement for the Bonds under the headings “Statement of Revenues, Expenditures and Changes in General Fund Balance” and “Statement of Revenues, Expenditures and Changes in Debt Service Fund Balance”;

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

The information and data described above shall be provided on or before nine months after the end of the District's fiscal year. The District may adjust such date if the District changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. In lieu of providing such annual financial information and operating data, the District may cross-reference to other documents available to the public on the MSRB's internet website and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the District shall provide the District's audited annual financial statement prepared in accordance with regulations prescribed by the Superintendent of Public Instruction and the State Auditor pursuant to RCW 28A.505.020, RCW 28A.505.090, RCW 28A.505.140 and RCW 43.09.200 (or any successor statutes), when and if available, to the MSRB.

(c) *Listed Events.* The District agrees to provide notice of the following material events not in excess of ten business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment 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, Notices 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 the rights of Bond holders, if material;
- (8) Bond calls, 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;
- (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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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 a financial obligation of the District, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Solely for purposes of disclosure, and not intending to modify this undertaking, the District advises that there is no property securing repayment of the Bonds, and there is no debt service reserve fund or account for the Bonds, as the District lacks legal authority for either measure. If further changes in the law permit such measures, and if the District subsequently chooses to establish such reserves or provide such property as security for the Bonds, the District will provide

notice of such establishment or provision and undertake to provide notices of material events relating thereto, should such events occur. If, prior to the sale of the Bonds, the designation of Listed Events is modified by the SEC, this continuing disclosure undertaking shall be deemed modified to conform to the then applicable Listed Events.

(d) *Notification Upon Failure to Provide Financial Data or Listed Events.* The District agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The District's obligations to provide annual financial information and notices of listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the District (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this resolution, the District may amend this Section 12 and any provision of this Section 12 may be waived with an approving opinion of nationally recognized bond counsel.

In the event of any amendment of or waiver of a provision of this Section 12, the District shall describe such amendment in the next annual report, and shall include, as applicable, a

narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (I) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (II) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if practical, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* A Bond owner's right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the District's obligations hereunder, and any failure by the District to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under this resolution. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding the Bonds through nominees or depositories.

Section 13. Credit Enhancement Program. The Board of Directors by the Election Resolution has requested that the State Treasurer issue a certificate of eligibility in favor of the district for participation by the District in the Credit Enhancement Program with respect to the Bonds, and has authorized and directed the Superintendent to submit such applications, resolutions and certifications as shall be required by the State Treasurer in review of the District's request for participation. The State Treasurer has issued a certificate of eligibility in favor of the District for participation by the District in the Credit Enhancement Program with respect to the Bonds.

Section 14. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the District 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 of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

DRAFT: Final amounts to be provided following sale of bonds on 5-28-2020

Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Issaquah School District No. 411, King County, Washington, at a regular meeting thereof held this 28th day of May, 2020.

ISSAQUAH SCHOOL DISTRICT
NO. 411, KING COUNTY,
WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary of the Board

DRAFT: Final amounts to be provided following sale of bonds on 5-28-2020

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Issaquah School District No. 411, King County Washington, (the “District”) and keeper of the records of the Board of Directors (herein called the “Board”), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 1146 of the Board (herein called the “Resolution”), duly adopted at a regular meeting thereof held on the 28th day of May, 2020.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May, 2020.

Secretary, Board of Directors

DRAFT: Final amounts to be provided following sale of bonds on 5-28-2020