

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2015

RESOLUTION NO. 1052

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 and refunding bonds of the District in the aggregate principal amount of \$150,000,000 for the purpose of providing funds required to construct, equip, modernize and make other 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 17, 2012, and for the purpose of refunding certain outstanding general obligation bonds of the District; providing and authorizing the purchase of certain acquired obligations with the proceeds of the sale of a portion of such bonds and for the use and application of the money derived from such investments; providing for the redemption of the outstanding bonds to be refunded; 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 MARCH 11, 2015

PREPARED BY:

K&L GATES LLP
Seattle, Washington

Draft: Final resolution will be provided following the bond sale on March 20, 2015

ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON
RESOLUTION NO. 1052

TABLE OF CONTENTS*

	Page
Section 1. Definitions.....	4
Section 2. Authorization of Bonds.....	9
Section 3. Registration, Payment and Transfer.....	11
Section 4. Redemption and Purchase of Bonds	16
Section 5. Form of Bonds	19
Section 6. Execution of Bonds.....	22
Section 7. Refunding Procedures.....	23
Section 8. Call For Redemption of Refunded Bonds.....	24
Section 9. Application of Improvement Bond Proceeds.....	25
Section 10. Pledge of Taxes and Credit.....	26
Section 11. Defeasance	26
Section 12. Tax Covenants	26
Section 13. Sale of Bonds	28
Section 14. Undertaking to Provide Ongoing Disclosure.....	29
Section 15. Credit Enhancement Program.....	34
Section 16. Severability	34
Section 17. Effective Date	34
Exhibit A Form of Escrow Deposit Agreement	
Exhibit B Form of Costs of Issuance Agreement	

* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 1052

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 and refunding bonds of the District in the aggregate principal amount of \$150,000,000 for the purpose of providing funds required to construct, equip, modernize and make other 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 17, 2012, and for the purpose of refunding certain outstanding general obligation bonds of the District; providing and authorizing the purchase of certain acquired obligations with the proceeds of the sale of a portion of such bonds and for the use and application of the money derived from such investments; providing for the redemption of the outstanding bonds to be refunded; 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 17, 2012, 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 \$219,121,500 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. 997, adopted on November 9, 2011 (the "Election Resolution") of the Board of Directors (the "Board"); and

WHEREAS, the District issued and sold a first series under the 2012 Authorization in the amount of \$55,000,000 dated August 7, 2012; and

WHEREAS, the District issued and sold a second series under the 2012 Authorization in the amount of \$51,235,000, under date of May 22, 2013; and

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

WHEREAS, the District issued and sold a third series under the 2012 Authorization in the amount of \$49,595,000, under date of June 18, 2014; and

WHEREAS, it is deemed necessary and advisable that the District now issue and sell a series of such authorized bonds in the principal amount of \$54,121,500 to provide funds necessary to construct, equip, modernize and make said capital improvements (the “Improvement Bonds”); and

WHEREAS, the District has outstanding its Unlimited Tax General Obligation Bonds, 2007, issued as of May 23, 2007 pursuant to Resolution No. 923 adopted by the Board on May 9, 2007 (the “2007 Bond Resolution”), which remain outstanding as follows:

Maturity Dates (December 1)	Principal Amounts	Interest Rates
2016	\$ 700,000	4.000%
2016	100,000	4.500
2016	7,950,000	5.000
2017	550,000	4.125
2017	9,450,000	5.000
2018	7,750,000	5.000
2019	7,500,000	5.000
2020	6,250,000	4.500
2021	6,225,000	4.250
2022	2,025,000	4.500
2023 ¹	26,500,000	4.375

¹ Term Bond

(the “2007 Bonds”); and

WHEREAS, the 2007 Bond Resolution provides that the 2007 Bonds maturing on and after December 1, 2017 (the “2007 Refunded Bonds”) are subject to redemption at the option of the District on or after June 1, 2017, in whole or in part and if in part, with maturities to be selected by the District, at a price of par plus accrued interest, if any, to the date of redemption; and

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

WHEREAS, the District has outstanding its Unlimited Tax General Obligation Bonds, 2008, issued as of June 26, 2008 pursuant to Resolution No. 934 adopted by the Board on June 11, 2008 (the “2008 Bond Resolution”), which remain outstanding as follows:

Maturity Dates (December 1)	Principal Amounts	Interest Rates
2023	\$ 2,500,000	5.000%
2024	20,000,000	5.000
2025	17,500,000	5.000

(the “2008 Bonds”); and

WHEREAS, the 2008 Bond Resolution provides that the 2008 Bonds maturing on and after December 1, 2023 (the “2008 Refunded Bonds”) are subject to redemption at the option of the District on or after June 1, 2018, in whole or in part and if in part, with maturities to be selected by the District, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, as a result of changed market conditions, it appears to the Board that a substantial debt service savings may be obtained by refunding the 2007 Refunded Bonds and the 2008 Refunded Bonds (together, the “Refunded Bonds”) through the issuance and sale of refunding bonds herein authorized (hereinafter defined as the “Refunding Bonds” and together with the Improvement Bonds, the “Bonds”); and

WHEREAS, it appears to the Board that it is in the best interest of the District that the Improvement Bonds and the Refunding Bonds be combined into a single issue of unlimited tax general obligation and refunding bonds in the aggregate principal amount of \$150,000,000 (the “Bonds”); and

WHEREAS, the District has received the offer of Piper Jaffray and Co., Seattle, Washington to purchase such Bonds upon terms and conditions the Board deems favorable;

Draft. Final resolution will be provided following the bond sale on March 10th, 2015

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:

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

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 agency 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 means the Issaquah School District No. 411, King County, Washington, Unlimited Tax General Obligation and Refunding Bonds, 2015, dated as of the date of delivery, issued pursuant to this resolution, consisting of the Improvement Bonds and the Refunding Bonds.

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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

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.

Call Date means June 1, 2017, with respect to the 2007 Bonds and June 1, 2018, with respect to the 2008 Bonds.

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

Commission means the United States Securities and Exchange Commission.

Costs of Issuance Agreement means the Costs of Issuance Agreement to be dated as of the date of closing and delivery of the Bonds substantially in the form attached hereto as Exhibit B.

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 and/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.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

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. 997, adopted by the Board on November 9, 2011.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

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

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

Improvement Bonds means the \$54,121,500 new money portion of the Bonds issued pursuant to this resolution for purposes authorized by the Election Resolution.

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 the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org.

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.

Refunded Bonds means, collectively, the 2007 Bonds maturing on and after December 1, 2017 and the 2008 Bonds maturing on and after December 1, 2030.

Refunding Bonds means the \$104,000,000 portion of the Bonds issued pursuant to this resolution for the purpose of refunding the Refunded Bonds.

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 Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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

2007 Bonds mean the Unlimited Tax General Obligation Bonds, 2007 of the District, issued as of May 23, 2007, pursuant to the 2007 Bond Resolution and presently outstanding in the principal amount of \$75,000,000.

2007 Bond Resolution means Resolution No. 923 adopted by the Board on May 9, 2007 authorizing the issuance of the 2007 Bonds.

2008 Bonds mean the Unlimited Tax General Obligation Bonds, 2008 of the District, issued as of June 26, 2008, pursuant to the 2008 Bond Resolution and presently outstanding in the principal amount of \$40,000,000.

2008 Bond Resolution means Resolution No. 934 adopted by the Board on June 11, 2008 authorizing the issuance of the 2008 Bonds.

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

Underwriter means Piper Jaffray and 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;

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

(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 \$54,121,500 in principal amount of bonds (the “Improvement Bonds”), being the fourth and final series of unlimited tax general obligation bonds authorized by the qualified electors of the District held at a special election on April 17, 2012 for the purpose of providing funds to pay the cost of constructing, equipping, modernizing and making other capital improvements to the facilities of the District as authorized by the Election Resolution.

For the purpose of refunding the Refunded Bonds and thereby effecting a substantial savings to the District and its taxpayers, the District shall issue and sell its unlimited tax general obligation refunding bonds in the aggregate principal amount of \$104,000,000 (the “Refunding Bonds”).

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

The Improvement Bonds and the Refunding Bonds shall be combined and sold as a single issue and shall be designated as the “Issaquah School District No. 411, King County, Washington, Unlimited Tax General Obligation and Refunding Bonds, 2015”; 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 June 1, 2015, at the following per annum interest rates and mature on the following dates in the following principal amounts:

Maturity Dates (December 1)	Principal Amounts*	Interest Rates
2015	\$ -R	%
2016	\$	
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

- ¹ Bifurcated maturities
- ² Trifurcated maturities
- ³ Quadfurcated maturities

* Principal amounts designated with an “-R” represent Refunding Bonds. The remaining principal amounts represent Improvement Bonds.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

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 state fiscal agencies. 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 14, 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 14 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

Draft: Final resolution will be provided following the bond sale on March 30th, 2015

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, 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.

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.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

(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 (ii) below or such substitute depository’s successor; or (C) to any person as provided in subsection (iv) 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 on behalf of 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 Designated Representative 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 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 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 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.* The 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 and twelve 30-day months. For so long as all Bonds are in fully-immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the Bonds are no longer in fully-immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners of the Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal 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.

Section 4. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds maturing on or prior to December 1, 2024 are not subject to optional redemption prior to maturity. The Bonds maturing on or after December 1, 2025 are subject to redemption at the option of the District on or after June 1, 2025, in whole or in part at any time (maturities to be selected by the District), at a price of par plus accrued interest to the date of redemption.

(b) *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 the 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.

(c) *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 District.

(d) *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, 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) 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,
- (D) that (unless the notice of redemption 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 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

(E) 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), 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 which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. Unless the District has revoked 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, 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.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

(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 14, 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 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 AND REFUNDING BOND, 2015

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 _____, 2015, 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 June 1, 2015. 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 King County Department of Executive Services Finance and Business Operations Division, 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 agency 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 \$_____, and is issued pursuant to Resolution No. 1052 (the "Bond Resolution") passed by the Board on _____, 2015 to provide funds to construct, equip, modernize and make other capital improvements to facilities of the District as authorized by resolution of the Board and approved by the qualified electors of the District at a special election held therein on April 17, 2012, and to refund certain outstanding general obligation debt of the District. 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 stated maturities 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 banks, thrift institutions and other financial institutions.

The District has irrevocably covenanted 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 authorizing their issuance.

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, imprinted or otherwise reproduced hereon as of this _____ day of _____, 2015.

ISSAQUAH SCHOOL DISTRICT
NO. 411, KING COUNTY,
WASHINGTON

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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

ATTEST:

 /s/ manual or facsimile
Secretary, Board of Directors

[SEAL]

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 and Refunding Bonds, 2015 of the Issaquah School District No. 411, King County, Washington dated _____, 2015 as described in the Bond Resolution.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

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 its Board of Directors and the seal of the District shall be impressed, imprinted 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,

Draft. Final resolution will be provided following the bond sale on March 9th, 2015

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. Refunding Procedures. The net proceeds of sale of the Refunding Bonds shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and, at the option of the Designated Representative, paying related costs of issuance.

Money received by the Escrow Agent shall be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the 2007 Bond Resolution and the 2008 Bond Resolution and, at the option of the Designated Representative, to pay costs of issuance. The District shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called, "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

- (a) interest on the Refunded Bonds due and payable on and prior to the Call Date; and
- (b) the redemption price of the Refunded Bonds on the Call Date.

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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

U.S. Bank National Association, Seattle, Washington, is hereby appointed as the Escrow Agent (the "Escrow Agent") for the Refunded Bonds. A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Refunding Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations.

Section 8. Call For Redemption of Refunded Bonds. The District hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunding Bonds to make the payments described in Section 7 of this resolution.

The District hereby irrevocably calls the Refunded Bonds for redemption on their respective Call Dates in accordance with the provisions of the 2007 Bond Resolution and the 2008 Bond Resolution authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Refunding Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the defeasance and the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2007 Bond Resolution and 2008 Bond Resolution. The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notices therefor. The costs of publication of such notices shall be an expense of the District.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

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

In order to carry out the purposes of the preceding section of this resolution and this section, either the Superintendent or the President of the Board of Directors is authorized and directed to execute and deliver to the Escrow Agent, an Escrow Deposit Agreement, substantially in the form of Exhibit A attached to this resolution.

Section 9. Application of Improvement Bond Proceeds. From the money derived from the sale of the Improvement Bonds;

(a) at the direction of the Designated Representative, net premium (premium minus costs of issuance) may be deposited in the Debt Service Fund and used to pay capitalized interest on the Bonds coming due on next upcoming interest payment dates (or in the alternative, such net premium may be deposited in the Capital Projects Fund and applied as a portion of the bond authorization approved in the Election Resolution); and

(b) the balance of the proceeds of the Improvement Bonds and any premium determined by the Designated Representative to be applied toward the voter authorization from the Election Resolution shall be deposited in the Capital Projects Fund and shall be expended solely to pay the allocable cost of issuing and selling the Improvement Bonds and constructing, equipping, modernizing and making other capital improvements to the facilities of the District authorized by the Election Resolution.

None of the proceeds of the Improvement Bonds shall be used for the replacement of equipment or for any other than a capital purpose.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

Proceeds of the Improvement 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 10. 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 and will pay the same into the Debt Service Fund. 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 11. Defeasance. In the event that money and/or Government Obligations, 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 14 of this resolution

Section 12. Tax Covenants.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

(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 said Regulations. 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 allocated to 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 allocable to 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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

(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 as 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 financed or 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)*. The Bonds are ~~not~~ “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 13. Sale of Bonds. The Bonds shall be sold by negotiated sale to the Underwriter, under the terms and conditions thereof as provided in the purchase contract presented to this Board and in this resolution. Said purchase contract is hereby in all respects accepted and approved, and the Designated Representative of the District is authorized and directed to execute the purchase contract on behalf of the District and to execute all other documents relating to the issuance and delivery of the Bonds.

The Designated Representative and other District officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale 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 specified in the Purchase Contract, including fees and expenses of Underwriter and other retained services, including Bond Counsel, rating agencies, fiscal agency, and other expenses customarily incurred in connection with issuance and sale of bonds. The disbursement of Bond proceeds to pay certain costs of issuance shall be made by the Escrow Agent under the terms set forth in the Costs of Issuance Agreement.

The President of the Board of Directors and Chief Financial Officer of the District are hereby authorized to review and approve on behalf of the District the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The Preliminary Official Statement dated February __, 2015 is hereby approved and deemed final for purposes of Securities and Exchange Commission Rule 15c2-12. The proper District officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to said purchaser and for the proper application and use of the proceeds of sale thereof.

Section 14. 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 2016 for the fiscal year ended August 31, 2015):

1. Annual financial statements, which statements maybe 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 "Income 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) *Material 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:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- 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;
- Modifications to the rights of Bondholders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the District;

Draft: Final resolution will be provided following the bond sale on March 20th, 2015

- 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; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Solely for purposes of information, 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. The District shall promptly determine whether the events described above are material.

(d) *Notification Upon Failure to Provide Financial Data.* 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 material 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 14 and any provision of this Section 14 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 14, 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 15. Credit Enhancement Program. The Board by Resolution No. 1050 and 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 Designated Representative 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 16. 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.

Section 17. Effective Date. This resolution shall become effective immediately upon its adoption.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

ADOPTED by the Board of Directors of Issaquah School District No. 411, King County,
Washington, at a special meeting thereof held this 11th day of March, 2015.

ISSAQUAH SCHOOL DISTRICT
NO. 411, KING COUNTY,
WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary of the Board

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

**ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2015**

THIS ESCROW AGREEMENT, dated _____, 2015 (herein, together with any amendments or supplements hereto, called the “Agreement”), is entered into by and between the ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON, (herein called the “District”) and U.S. BANK NATIONAL ASSOCIATION, SEATTLE, WASHINGTON as Escrow Agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The notice addresses of the District, the District Treasurer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

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

WHEREAS, pursuant to Resolution No. 1052_____ adopted on _____, 2015 (the “Bond Resolution”), the District authorized the issuance of its Unlimited Tax General Obligation and Refunding Bonds, 2015 (the “Bonds”) for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

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

WHEREAS, the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the redemption price of the Refunded Bonds as shown on Exhibit C; and

WHEREAS, pursuant to the Bond Resolution, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in the amount and at the time set forth in Exhibit C; and

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

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded

Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, _____ has prepared a verification report dated _____, 2015 (the "Verification Report") relating to the sources and uses of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

WHEREAS, simultaneously herewith, the District is entering into a Costs of Issuance Agreement with the Escrow Agent to provide for the payment of costs of issuance relating to the Bonds;

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

Article 1. Definitions

Section 1.1. Definitions.

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

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

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

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

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

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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

Section 1.2. Other Definitions.

The terms “Agreement,” “Bonds,” “District,” “Escrow Agent,” “Bond Resolution,” “Verification Report”, and “Refunded Bonds” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Account.

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

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Refunding Account the funds and the Escrowed Securities described in Exhibit D. Such deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Account shall be transferred to the District, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances on deposit in the Refunding Account, the amounts required to pay the principal of the Refunded Bonds at their redemption date and interest thereon to such redemption date in the amounts and at the times shown in Exhibit C.

Section 3.3. Sufficiency of Refunding Account.

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

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Account, the Escrowed Securities and all other assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrowed Securities and other assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the District, and the Escrow Agent shall have no right to title with respect thereto except as an agent and Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

Section 4.2. Substitution of Securities.

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

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Refunding Account. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The District hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption date, as shown on Appendix A-1 and A-2 attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Resolution No. 923 and Resolution No. 934 of the Board of Directors of the District and in substantially the forms attached hereto as Appendices A-1 through B-2 to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following

Draft - Final resolution will be provided following the bond sale on March 10th, 2015

the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance or resolution authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

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

Section 7.2. Reports.

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

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

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

Section 8.2. Limitation on Liability.

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

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

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

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

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

Section 8.3 Successor Escrow Agents.

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

Any successor Escrow Agent must be a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust

powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

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

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

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

Section 9.2. Termination of Responsibilities.

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

Section 9.3. Binding Agreement.

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

Section 9.4. Severability.

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

Section 9.5. Washington Law Governs.

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

Section 9.6. Time of the Essence.

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

Section 9.7. Notice to Moody's and Standard & Poor's.

In the event that this agreement or any provision thereof is severed, amended or revoked, the District shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds and to Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, Attention: Refunded Bonds Municipal Bond Department.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

Section 9.8. Amendments.

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

EXECUTED as of the date first written above.

**ISSAQUAH SCHOOL DISTRICT NO. 411
KING COUNTY, WASHINGTON,**

Secretary, Board of Directors

U.S. BANK NATIONAL ASSOCIATION

Authorized Signatory

- Exhibit A - Addresses of the District, the District Treasurer and the Escrow Agent
- Exhibit B - Description of the Refunded Bonds
- Exhibit C - Schedule of Debt Service on Refunded Bonds
- Exhibit D - Escrow Deposit
- Exhibit E - Refunding Account Cash Flow
- Appendix A-1 - Notice of Redemption for the 2007 Bonds
- Appendix B-1 - Notice of Defeasance for the 2007 Bonds
- Appendix A-2 - Notice of Redemption for the 2008 Bonds
- Appendix B-2 - Notice of Defeasance for the 2008 Bonds

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT A
Addresses of the District, the District Treasurer and Escrow Agent

District: Issaquah School District No. 411
565 NW Holly Street
Issaquah, WA 98027
Attention: Superintendent

District Treasurer King County Department of Executive Services Finance & Business
Operations Division
Treasury Operations Section
ADM-ES-0611
500 Fifth Avenue
Seattle, WA 98104-2337
Attention: Deputy Treasurer

Escrow Agent: U.S. Bank National Association
Corporate Trust Services PD-WA-T7CT
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Assistant Vice President

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT B
Description of the Refunded Bonds

Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2007

<u>Maturity Dates (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2017	\$ 550,000	4.125%
2017	9,450,000	5.000
2018	7,750,000	5.000
2019	7,500,000	5.000
2020	6,250,000	4.500
2021	6,225,000	4.250
2022	2,025,000	4.500
2023 ¹	26,500,000	4.375

¹ Term Bond

Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2008

<u>Maturity Dates (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2023	\$ 2,500,000	5.00%
2024	20,000,000	5.00
2025	17,500,000	5.00

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT D
Escrow Deposit

I. Cash \$ _____

II. Other Obligations

Description	Maturity Date	Principal Amount	Yield	Total Cost
		\$ _____	%	\$ _____
TOTAL		\$ _____		\$ _____

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT E
Refunding Account Cash Flow

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Cash Balance
	\$	\$	\$	\$
	\$	\$	\$	
	\$	\$	\$	

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

APPENDIX A-1
Notice of Redemption*
Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2007

NOTICE IS HEREBY GIVEN that the Issaquah School District No. 411, King County, Washington, has called for redemption on June 1, 2017 its then outstanding Unlimited Tax General Obligation Bonds, 2007 (the “Bonds”).

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to June 1, 2017. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2017.

The following Bonds are being redeemed:

Maturity Dates (December 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2017	\$ 550,000	4.125%	495224J24
2017	9,450,000	5.000	495224K30
2018	7,750,000	5.000	495224J32
2019	7,500,000	5.000	495224J40
2020	6,250,000	4.500	495224J57
2021	6,225,000	4.250	495224J65
2022	2,025,000	4.500	495224J73
2023 ¹	26,500,000	4.375	495224J81

¹ Term Bond

* This notice shall be given not more than 60 nor less than 30 days prior to June 1, 2017 first-class mail to each registered owner of the 2007 Bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2017, to The Depository Trust Company of New York, New York; U.S. Bank National Association; Piper Jaffray & Co.; Assured Guaranty Ltd. (formerly Financial Security Assurance Inc.); Moody's Investors Service; Standard & Poor's Ratings Services; and to the MSRB.

By Order of Issaquah School District No. 411, King County, Washington

U.S. Bank National Association, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

APPENDIX B-1*
Notice of Defeasance*
Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2007

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated _____, 2015, and between Issaquah School District No. 411, King County, Washington (the "District") and U.S. Bank National Association (the "Escrow Agent"), the District has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 923 of the District, authorizing the issuance of the Defeased Bonds but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Unlimited Tax General Obligation Bonds, 2007 (dated May 23, 2007)

Maturity Dates (December 1)	Par Amount Defeased	Call Date (At 100%)	Interest Rates	CUSIP Nos.
2017	\$ 550,000	06/01/2017	4.125%	495224J24
2017	9,450,000	06/01/2017	5.000	495224K30
2018	7,750,000	06/01/2017	5.000	495224J32
2019	7,500,000	06/01/2017	5.000	495224J40
2020	6,250,000	06/01/2017	4.500	495224J57
2021	6,225,000	06/01/2017	4.250	495224J65
2022	2,025,000	06/01/2017	4.500	495224J73
2023 ¹	26,500,000	06/01/2017	4.375	495224J81

¹ Term Bond

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$_____.

_____, 2015

U.S. Bank National Association

* This notice shall be given immediately by first-class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; U.S. Bank National Association; Piper Jaffray & Co.; Assured Guaranty Ltd. (formerly Financial Security Assurance Inc.); Moody's Investors Service; Standard & Poor's Ratings Services; and to the MSRB.

APPENDIX A-2
Notice of Redemption*
Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2008

NOTICE IS HEREBY GIVEN that the Issaquah School District No. 411, King County, Washington, has called for redemption on June 1, 2018 its then outstanding Unlimited Tax General Obligation Bonds, 2008 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to June 1, 2018. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2018.

The following Bonds are being redeemed:

<u>Maturity Dates</u> <u>(December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>
2023	\$ 2,500,000	5.00%	495224M53
2024	20,000,000	5.00	495224M61
2025	17,500,000	5.00	495224M79

* This notice shall be given not more than 60 nor less than 30 days prior to June 1, 2018 first-class mail to each registered owner of the 2008 Bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2018, to The Depository Trust Company of New York, New York; U.S. Bank National Association; Piper Jaffray & Co.; Yeasting & Associates; Moody's Investors Service; Standard & Poor's Ratings Services; and to the MSRB.

By Order of Issaquah School District No. 411, King County, Washington

U.S. Bank National Association, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

APPENDIX B-2*
Notice of Defeasance*
Issaquah School District No. 411
King County, Washington
Unlimited Tax General Obligation Bonds, 2008

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Agreement dated _____, 2015, and between Issaquah School District No. 411, King County, Washington (the “District”) and U.S. Bank National Association (the “Escrow Agent”), the District has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the “Defeased Bonds”). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Resolution No. 934 of the District, authorizing the issuance of the Defeased Bonds but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Unlimited Tax General Obligation Bonds, 2008 (dated June 11, 2008)

Maturity Dates (December 1)	Par Amount Defeased	Call Date (At 100%)	Interest Rates	CUSIP Nos.
2023	\$ 2,500,000	06/01/2018	5.000%	495224M53
2024	20,000,000	06/01/2018	5.000	495224M61
2025	17,500,000	06/01/2018	5.000	495224M79

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$_____.

_____, 2015

U.S. Bank National Association

* This notice shall be given immediately by first-class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; U.S. Bank National Association; Piper Jaffray & Co.; Yeasting & Associates; Moody’s Investors Service; Standard & Poor’s Ratings Services; and to the MSRB.

EXHIBIT B

COSTS OF ISSUANCE AGREEMENT

ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2015

THIS COSTS OF ISSUANCE AGREEMENT, dated _____, 2015 (together with any amendments or supplements hereto, the "Agreement"), is entered into by and between ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON (the "District") and U.S. BANK NATIONAL ASSOCIATION, SEATTLE, WASHINGTON, as Escrow Agent (together with any successor in such capacity, the "Escrow Agent").

WITNESSETH:

WHEREAS, pursuant to Resolution No. 1052_____, adopted on March 11, 2015 (the "Bond Resolution"), the District has determined to issue its Unlimited Tax General Obligation and Refunding Bonds, 2015, (the "Bonds"), to provide funds for refunding the Refunding Bonds, and to pay costs of issuing the Bonds; and

WHEREAS, simultaneously herewith, the District is entering into an Escrow Deposit Agreement under which the Escrow Agent will hold invested proceeds of the Bonds in order to pay and redeem the refunded bonds under the terms set forth therein; and

WHEREAS, certain proceeds of the Bonds will be delivered to the Escrow Agent on the date of issuance of the Bonds that are required to be disbursed to pay costs of issuance of the Bonds; and

WHEREAS, the Escrow Agent has agreed, without additional compensation to disburse the Bond proceeds received to pay costs of issuance under the terms of this Agreement;

Section 1. Deposit in the Costs of Issuance Fund.

The Escrow Agent has created on its books a special trust fund and escrow fund to be known as the Costs of Issuance Fund. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Costs of Issuance Fund the sum of \$_____ to pay those costs of issuance set forth on Exhibit A. That deposit, all proceeds therefrom, and all cash balances on deposit therein shall be the property of the Costs of Issuance Fund to pay those costs of issuance set forth on Exhibit A upon receipt of invoices. If any of the \$_____ deposit allocated for costs of issuance for the Bonds remains unspent on _____, 2015, the Escrow Agent shall transfer such unspent amount to the District, and this Agreement shall be deemed fully performed and terminated.

Section 2. Investments.

The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder.

Section 3. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the costs of issuance identified herein is limited to the proceeds of the Bonds delivered to the Escrow Agent.

Section 4. Compensation.

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

Section 5. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the District or the Escrow Agent at the address shown on Exhibit A to the Escrow Agreement.

Section 6. Washington Law Governs.

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

EXECUTED as of the date first written above.

**ISSAQUAH SCHOOL DISTRICT NO. 411,
KING COUNTY, WASHINGTON**

Superintendent

U.S. BANK NATIONAL ASSOCIATION

Assistant Vice President

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

- Exhibit A - Costs of Issuance Schedule
- Exhibit B - Fee Schedule

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT A

Costs of Issuance

Bond Counsel fee (K&L Gates LLP)	\$
Moody's rating fee.....	
S&P rating Fee.....	
Escrow Verification fee (Grant Thornton)	
Escrow Agent fee (U.S. Bank National Association)	
Pricing Advisor Fee	
POS/OS printing & mailing cost ().....	
Electronic POS ().....	
Contingency.....	
 	<hr/>
Total:.....	\$ <hr/> <hr/>

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

EXHIBIT B

Fee Schedule

Draft: Final resolution will be provided following the bond sale on March 10th, 2015

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. 1052 of the Board (herein called the "Resolution"), duly adopted at a special meeting thereof held on the 11th day of March, 2015.

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 11th day of March, 2015.

Secretary, Board of Directors

Draft: Final resolution will be provided following the bond sale on March 10th, 2015