

WOODLAND SCHOOL DISTRICT NO. 404
COWLITZ AND CLARK COUNTIES, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012

RESOLUTION NO. 2552

A Resolution of the Board of Directors of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, authorizing the issuance and sale of general obligation refunding bonds of the District in the aggregate principal amount of not to exceed \$3,500,000, to provide the funds necessary to refund certain of the outstanding unlimited tax general obligation bonds of the District; providing for the redemption of the outstanding bonds to be refunded; authorizing a preliminary official statement; and delegating to the Superintendent and/or Business Services Director of the District the authority to determine the structure of the Bonds, approve the interest rates, maturity dates and principal maturities for the Bonds under the terms and conditions set forth herein.

APPROVED ON JANUARY 23, 2012

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

WOODLAND SCHOOL DISTRICT NO. 404

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A Resolution of the Board of Directors of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, authorizing the issuance and sale of general obligation refunding bonds of the district in the aggregate principal amount of not to exceed \$3,500,000, to provide the funds necessary to refund certain of the outstanding unlimited tax general obligation bonds of the District; authorizing providing for the redemption of the outstanding bonds to be refunded; appointing an escrow agent; authorizing a preliminary official statement; and delegating to the Superintendent and/or Business Services Director of the District the authority to determine the structure of the Bonds, approve the interest rates, maturity dates and principal maturities for the Bonds under the terms and conditions set forth herein.

WHEREAS, Woodland School District No. 404, Cowlitz and Clark Counties, Washington (the "District") has outstanding its Unlimited Tax General Obligation Refunding Bonds, 2002, issued under date of May 1, 2002, pursuant to Resolution No. 2467 adopted by the Board of Directors (the "Board") of the District on April 29, 2002, maturing in principal amounts and bearing interest as follows:

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2012	\$ 500,000	4.30%
2013	540,000	4.40
2014	590,000	4.50
2015	640,000	4.60
2016	685,000	4.70

(the "2002 Bonds"); and

WHEREAS, Resolution No. 2467 provides that the District may call the 2002 Bonds maturing on and after December 1, 2012 for redemption on and after June 1, 2012, in whole or in part on any date, 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 2002 Bonds maturing on

December 1, 2012 through December 1, 2016 (the “Refunded Bonds”) through the issuance of unlimited tax general obligation refunding bonds in an aggregate principal amount of not to exceed \$3,500,000 herein authorized (the “Bonds”); and

WHEREAS, in order to effect such refunding in the most economical manner it is deemed necessary and advisable that the proceeds of the sale of the Bonds and, if necessary, other money available and required for refunding purposes be used to redeem and retire the Refunded Bonds on the first date on which the Refunded Bonds may be called for redemption prior to their respective scheduled maturities; and

WHEREAS, the Board wishes to delegate authority to the Superintendent and/or Business Services Director of the District, for a limited time, to approve the interest rates, maturity dates, redemption provisions, and principal maturities under such terms and conditions as are approved by this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WOODLAND SCHOOL DISTRICT NO. 404, COWLITZ AND CLARK COUNTIES, WASHINGTON, as follows:

Section 1. Definitions.

As used in this resolution, the following words shall have the following meanings:

Board means the Board of Directors of the District as the same shall be duly and regularly constituted from time to time.

Bond Register means the registration records for the Bonds maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the State of Washington in New York, New York, 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.

Bonds means the Woodland School District No. 404, Cowlitz and Clark Counties, Washington, Unlimited Tax General Obligation Refunding Bonds, 2012, to be issued in the principal amount not to exceed \$3,500,000 pursuant to this resolution.

Code means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department of the Internal Revenue Service, to the extent applicable to the Bonds.

Commission means the United States Securities and Exchange Commission.

Credit Enhancement Program means the program for enhancing the credit of voter-approved school district general obligation bonds established pursuant to RCW Ch. 39.98.

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

Designated Representative means the Superintendent or Business Services Director, Finance and Facilities of the District.

District means Woodland School District No. 404, Cowlitz and Clark Counties, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

DTC means The Depository Trust Company of New York, New York, as depository for the Bonds, or any successor depository for the Bonds.

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 of the Bonds and substantially in the form attached as Exhibit A hereto.

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.

Letter of Representations means the Blanket Issuer Letter of Representations from the District to DTC.

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

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

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

Purchase Contract means the bond purchase agreement between the District and the Underwriter provided for in Section 13 of this resolution.

Refunded Bonds means the 2002 Bonds maturing on and after December 1, 2012.

Registered Owner means the person in whose name a Bond is registered on the Bond Register. For so long as District utilizes the book-entry system for the Bonds, DTC shall be deemed to be the Registered Owner.

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

Savings Target means a dollar amount equal to at least three percent (3.00%) of the outstanding principal of the Refunded Bonds.

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

Treasurer means the Cowlitz County Treasurer, as *ex officio* treasurer for the District.

2002 Bonds means the Unlimited Tax General Obligation Refunding Bonds, 2002, of the District issued under date of May 1, 2002 pursuant to Resolution No. 2467 adopted by the Board on April 29, 2002, and presently outstanding in the principal amount of \$2,955,000.

2002 Bond Resolution means Resolution No. 2467 adopted by the Board on April 29, 2002, authorizing the issuance of the 2002 Bonds.

Underwriter means Martin Nelson & Company, Seattle, Washington, or any other underwriter selected by the Designated Representative.

Section 2. Authorization of Bonds.

For the purpose of providing for the refunding of 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 not to exceed \$3,500,000 (the “Bonds”). The Bonds shall be dated as of their date of 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 payable on December 1, 2012, and semiannually thereafter on the first days of June and December, commencing on the interest payment date and at rates set forth in the Purchase Contract; and shall mature in the years and in the principal amounts set forth in the Purchase Contract and as approved by the Designated Representative pursuant to Section 13.

Section 3. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The District hereby requests that the Treasurer specify and adopt the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agency of the State of Washington in New York, New York, as registrar, authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds (the “Bond Register”), which shall be open to inspection by the District. 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 may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, 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 Subsection 3(h) hereof, but such registration may be transferred as herein provided. All such payments made as described in Subsection 3(h) shall be valid and shall satisfy the liability of the District upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the District has executed and delivered to DTC the Blanket Issuer Letter of Representations (the “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 with respect to the Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that 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), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds, or any consent given or other action taken by DTC 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, and all references in this resolution to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Bonds.

(d) *Use of Depository.*

(i) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. 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.

(ii) 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.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) 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 substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Representative.

(iv) 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 the Bonds be provided in certificated form, 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 in certificated form, to issue Bonds 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 provided in such written request.

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it 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, 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 canceled Bond. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such

interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

(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 rights of the Registered Owners of the Bonds.

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

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

In the event that the Bonds are no longer in fully-immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 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; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal

amount of Bonds, interest will be paid by wire transfer on the date to an account with a bank located within the United States.

Section 4. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall not be subject to optional redemption prior to maturity.

(b) *Mandatory Redemption.* In the event that the Underwriter specifies one or more maturities as term bonds, the term bonds will be redeemed in accordance with the maturity schedule set forth in the Purchase Contract (unless such term bonds shall previously have been optionally redeemed).

(c) *Selection of Bonds for Redemption.* As long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made as provided in this subsection (c). 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 Treasurer) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the District and Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest

rate in any of the denominations herein authorized. If Bonds are called for optional redemption, portions of the principal amount of such Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this resolution.

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

(e) *Notice of Redemption.*

(1) Official Notice. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption, which notice may be conditional, 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, 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.

(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 35 days before the redemption date to each party entitled to receive notice pursuant to Section 15, and to such persons and with such additional information as the Designated Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

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

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

regarding notices of redemption of municipal securities.

Section 5. Form of Bonds.

The Bonds shall be in substantially the following form:

WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

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

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNTIES

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2012

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

Woodland School District No. 404, Cowlitz and Clark Counties, 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 _____, 2012, 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 December 1, 2012, and semiannually thereafter on the first days of each succeeding June and December. 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. The fiscal agency of the State of Washington is acting as the registrar, authenticating agent and paying agent for the bond of this issue (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 for the purpose of refunding certain outstanding general obligation bonds of the District.

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 Resolution No. 2552 of the Board of Directors of the District (the "Bond Resolution"). Capitalized terms used in this bond have the meanings given such terms in the Bond Resolution.

The bonds of this issue are not subject to redemption prior to their stated maturities as provided in the Purchase Contract.

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 District has designated the bonds of this issue as "qualified tax-exempt obligations" under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.

The District has irrevocably covenanted 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 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, Woodland School District No. 404, Cowlitz and Clark Counties, 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 or imprinted hereon as of this ___ day of _____, 2012.

WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNTIES,
WASHINGTON

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

ATTEST:

 /s/ manual or facsimile
Secretary, Board of Directors

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

DATE OF AUTHENTICATION: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Unlimited Tax General Obligation Refunding Bonds, 2012 of the District, dated _____, 2012, as described in the Bond Resolution.

WASHINGTON STATE FISCAL
AGENCY as Bond Registrar

By _____
Authorized Signatory

Section 6. Execution of Bonds.

The Bonds shall be executed on behalf of the District with the facsimile or manual signatures of the President and Secretary of its Board of Directors. In case either or both of the officers who have signed or attested any of the Bonds cease to be such officer before such Bonds have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such Bonds had not ceased to be such officers, and any Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the District.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 5, 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 and are entitled to the benefits of this resolution.

Section 7. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner's paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond or Bonds and upon his or her filing with the Bond Registrar and the District evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the District and the Bond Registrar with indemnity satisfactory to both.

Section 8. Refunding Procedures.

The net proceeds of sale of the Bonds and, if necessary, other available money of the District, shall be delivered to the Escrow Agent for the purpose of defeasing the Refunded Bonds and paying related costs of issuance.

Money received by the Escrow Agent shall be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the 2002 Bond Resolution and 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 in such amounts which will provide for the payment of:

(a) interest on the Refunded Bonds due and payable through and including June 1, 2012; and

(b) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on June 1, 2012.

The District hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent for the Refunded Bonds (the “Escrow Agent”). A beginning cash balance shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after provision for the necessary cash balance to defease the Refunded Bonds shall be utilized to expenses of the issuance of the Bonds.

To carry out the purposes of this section, the President or Secretary of the Board are authorized and directed to execute and deliver to the Escrow Agent an Escrow Deposit Agreement substantially in the form attached hereto as Exhibit A.

Section 9. Call For Redemption of Refunded Bonds.

The District hereby irrevocably sets aside sufficient funds out of the proceeds of the Bonds to make the payments described in Section 8 of this resolution.

The District hereby irrevocably calls the Refunded Bonds for redemption on June 1, 2012 in accordance with the provisions of Section 4 of the 2002 Bond Resolution authorizing the issuance and redemption of the Refunded Bonds.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Bonds and delivery of the proceeds of the Bonds to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2002 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.

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

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 money 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 money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Within 60 days of any defeasance of Bonds the Bond Registrar shall provide notice of defeasance of Bonds to registered owners and to the MSRB in accordance with Section 14.

Section 12. Tax Covenants.

(a) *Arbitrage Covenant.* The District hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the District that may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code that 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. The District further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute “private activity bonds” under Section 141 of the Code.

(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 (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 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) *Designation under Section 265(b).* The District has designated the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 13. Sale of the Bonds; Delegation.

(a) *Delegation.* The Bonds shall be sold by negotiated sale to the Underwriter pursuant to the terms of the Purchase Contract. This Board of Directors has been advised that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Board of Directors. The Board of Directors has determined that it would be in the best interest of the District to delegate to the Designated Representative for a limited time the authority to approve the final interest rates, maturity dates, aggregate principal amount, terms of redemption and redemption rights and principal amounts of each maturity of the Bonds.

The Designated Representative is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights for the Bonds in the manner provided hereafter so long as (i) the aggregate principal amount of the Bonds does not exceed \$3,500,000; (ii) the minimum savings target (“Savings Target”) for the refinancing (i.e., the present value of (1) the aggregate debt service on the Refunded Bonds minus (2) the aggregate debt service on the Refunding Bonds, after payment of all costs of issuance of the Refunding Bonds), shall be at least 3.00% of the outstanding principal of the Refunded Bonds; (iii) the sale of the Refunding Bonds shall occur no later than May 1, 2012; (iv) the denominations and payment dates of the Refunding Bonds conform to the terms set forth in Section 2 of this resolution; (v) the true interest cost for the Refunding Bonds (in the aggregate) does not exceed 3.00%; (vi) the final maturity of the Refunding Bonds shall be no later than December 1, 2016; (vii) the Refunding Bonds are sold (in the aggregate) at a price not less than 98% and not greater than 110%; and (viii) the Refunding Bonds conform to all other terms of this resolution.

In determining whether or not to proceed with bond insurance and determining the number of series, final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights, the Designated Representative, in consultation with District staff, shall take into account those factors that, in his or her judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds.

(b) *Bond Sale; Purchase Contract.* Subject to the terms and conditions set forth in this Section 13, the Designated Representative is hereby authorized to execute the final form of the Purchase Contract, upon the Superintendent's approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights, set forth therein. Following the execution of the Purchase Contract, the Designated Representative shall provide a report to the Board of Directors, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The report will be provided to the Board electronically on the date of the Bond sale and a public report provided to the Board at the next regularly scheduled meeting.

The authority granted to the Designated Representative by this Section 13 shall expire on May 1, 2012. If a Purchase Contract for Bonds has not been executed on or prior to May 1, 2012, the authorization for the issuance of those Bonds shall be rescinded, and any remaining portion of the Bonds authorized under this resolution shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Board of Directors. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Bonds not issued)

or may be in the form of an amendatory resolution approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 13.

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

(c) *Preliminary and Final Official Statements.* The Superintendent and/or the Business Services Director 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 Superintendent and/or the Business Services Director is hereby further authorized to deem final the preliminary Official Statement for purposes of the Commission's 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 2012 for the fiscal year ended August 31, 2011):

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 heading, “Comparative General Fund Income Expense Statement” or comparable headings as shown in the official statement;

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.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

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’s current fiscal year ends August 31. 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 or filed with the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the District shall provide the District’s audited annual financial statement prepared in accordance with regulations prescribed by the Superintendent of Public Instruction and the State Auditor pursuant

to RCW 28A.505.020, RCW 28A.505.090, RCW 28A.505.140 and RCW 43.09.200 (or any successor statutes), when and if available, to the MSRB.

(c) *Listed Events.* The District agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- 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;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, 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;

- 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.

The District shall promptly determine whether the events described above are material.

Solely for purposes of disclosure, and not intending to modify this undertaking, the District advises that there is no property securing repayment of the Bonds and there is no debt service reserve for the Bonds.

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

(f) *Termination/Modification.* The District's obligations to provide annual financial information and notices of listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the District (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does 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 with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the District shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment 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 listed event under Subsection (c), and (ii) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, 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.

(h) *No Default.* Except as described in the official statement, the District is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its bond obligations.

Section 15. Credit Enhancement Program.

The Board of Directors by Resolution No. 2550 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 provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions 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.

ADOPTED by the Board of Directors of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, at a regular meeting thereof held this 23rd day of January, 2012.

WOODLAND SCHOOL DISTRICT
NO. 404, COWLITZ AND CLARK
COUNTIES, WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

**WOODLAND SCHOOL DISTRICT NO. 404
COWLITZ AND CLARK COUNTIES, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012**

THIS ESCROW AGREEMENT, dated as of _____, 2012 (herein, together with any amendments or supplements hereto, called the “Agreement”) is entered into by and between the WOODLAND SCHOOL DISTRICT NO. 404, COWLITZ AND CLARK COUNTIES, 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. 2552 adopted on January 23, 2012 (the “Bond Resolution”), the District has determined to issue its Unlimited Tax General Obligation Refunding Bonds, 2012 (the “Refunding Bonds”) to provide for the refunding of 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, 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 such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C; and

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

WHEREAS, the District desires that, concurrently with the delivery of the Refunding Bonds to the purchasers, the proceeds of the Refunding Bonds, together with certain other available funds of the District, if necessary, shall be deposited to the credit of the Refunding Account; and

WHEREAS, the cash balances on deposit in the Refunding Account, will be sufficient to pay interest on the Refunded Bonds as it accrues and becomes payable and the principal of the Refunded Bonds as it becomes due and payable; and

WHEREAS, the District desires to establish the Refunding Account at the principal corporate trust office of the Escrow Agent; and

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

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the 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 Cowlitz County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

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

Refunding Account means the fund and subaccounts therein authorized by the Bond Resolution to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.2. Other Definitions.

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

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds

Section 2.1. Deposits in the Refunding Account.

Concurrently with the sale and delivery of the Refunding Bonds the District shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, the funds sufficient to refund the Refunded Bonds and pay costs of issuance 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 account to be known as the Refunding Account (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds described in Exhibit D attached hereto. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds as set forth in Resolution No. 2467 adopted on April 29, 2002 (the “2002 Bond Resolution”), which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to The District, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

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

Section 3.3. Sufficiency of Refunding Account.

The District represents that the cash balance on deposit in the appropriate subaccount of the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the respective Refunded Bonds as such interest comes due and the principal of the respective Refunded Bonds as the respective Refunded Bonds are paid on an optional redemption date prior to maturity, 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, and all assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the 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 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.

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

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Sections 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 and 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 dates, as shown in Appendix A 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 the 2002 Bond Resolution of the Board of Directors of the District and in substantially the forms attached as and as described in Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the 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 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, transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of 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 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, except for the obligation to notify the District promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding 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.

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

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

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

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion

or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the 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. Compensation.

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

Section 8.4. Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the District, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been 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 shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

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

Any successor Escrow Agent shall execute, acknowledge and deliver to the 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 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the 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.

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.

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.

**WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNTIES,
WASHINGTON**

Secretary, Board of Directors

U.S. BANK NATIONAL ASSOCIATION

Authorized Signer

- Exhibit A - Addresses of the District, the District Treasurer and the Escrow Agent
- Exhibit B - Descriptions of the Refunded Bonds
- Exhibit C - Schedule of Debt Service on Refunded Bonds
- Exhibit D - Description of Cash Deposit
- Exhibit E - Refunding Account Cash Flow
- Appendix A - Notice of Redemption for the 2002 Bonds
- Appendix B - Notice of Defeasance for the 2002 Bonds
- Appendix C - Fee Schedule

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

District: Woodland School District No. 404
800 Third Street
Woodland, Washington, 98674
Attention: Superintendent

District Treasurer: Cowlitz County Treasurer
207 4th Ave N.
Kelso, WA 98626
Attention: Treasurer

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

EXHIBIT B
Description of the Refunded Bonds

Woodland School District No. 404
Cowlitz and Clark Counties, Washington
Unlimited Tax General Obligation Refunding Bonds, 2002

Maturity Years (December 1)	Principal Amounts	Interest Rates
2012	\$ 500,000	4.30%
2013	540,000	4.40
2014	590,000	4.50
2015	640,000	4.60
2016	685,000	4.70

EXHIBIT C
Schedule of Debt Service on Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
06/01/2012	\$ 66,772.50	\$ 2,955,000.00	\$ 3,021,722.50
		--	
TOTAL:	\$ <u>66,722.50</u>	\$ <u>2,955,000.00</u>	\$ <u>3,021,722.50</u>

EXHIBIT D
Escrow Deposit

I. Cash \$ _____

Costs of Issuance

Escrow Agent Fee (U.S. Bank National Association)	\$
Bond Counsel Fee (Pacifica Law Group).....	
Rating Agency Fee (Moody's)	
Printing	
Total:.....	\$

EXHIBIT E
Refunding Account Cash Flow

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>
03/06/2012	--	\$	\$	\$
06/01/2012	\$ 3,021,722.50			
	<u>\$ 3,021,722.50</u>	<u>\$</u>	\$	

APPENDIX A

Notice of Redemption*
Woodland School District No. 404
Cowlitz and Clark Counties, Washington
Unlimited Tax General Obligation Refunding Bonds, 2002

NOTICE IS HEREBY GIVEN that the Woodland School District No. 404, Cowlitz and Clark Counties, Washington has called for redemption on June 1, 2012, certain of its then outstanding Unlimited Tax General Obligation Refunding Bonds, 2002 (the "Bonds").

The Bonds will be redeemed at a price of 100% of their principal amount, plus interest accrued to June 1, 2012. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York Mellon
Worldwide Securities Processing
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

Wells Fargo Bank, National Association
Corporate Trust Department
-or- 14th Floor - M/S 257
999 Third Avenue
Seattle, WA 98104

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on June 1, 2012.

The following Bonds are being redeemed:

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>
2012	\$ 500,000	4.30%	223764EP2
2013	540,000	4.40	223764EQ0
2014	590,000	4.50	223764ER8
2015	640,000	4.60	223764ES6
2016	685,000	4.70	223764ET4

* This notice shall be given not more than 60 nor less than 30 days prior to June 1, 2012 by first class mail to each registered owner of the Bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2012 to The Depository Trust Company of New York, New York; The Bank of New York Mellon, as Fiscal Agent; Seattle-Northwest Securities Corporation, Seattle, Washington; Assured Guaranty Municipal (formerly Financial Security Assurance Inc.); Moody's Investors Service, New York, New York; and to the Municipal Securities Rulemaking Board.

By Order of Woodland School District No. 404, Cowlitz and Clark Counties, Washington

The Bank of New York Mellon, 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 (the "Act") unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B

Notice of Defeasance*

Woodland School District No. 404, Cowlitz and Clark Counties, Washington Unlimited Tax General Obligation Refunding Bonds, 2002

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 as of _____, 2012, by and between the Woodland School District No. 404, Cowlitz and Clark Counties, Washington (the "District") and U.S. Bank National Association, Seattle, Washington (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 Section 8 of Resolution No. 2467 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 Refunding Bonds, 2002 (Dated May 1, 2002)

Maturity Date (December 1)	Par Amount Defeased	Interest Rate	Original CUSIP Nos.	Call Date (At 100%)
2012	\$ 500,000	4.30%	223764EP2	06/01/2012
2013	540,000	4.40	223764EQ0	06/01/2012
2014	590,000	4.50	223764ER8	06/01/2012
2015	640,000	4.60	223764ES6	06/01/2012
2016	685,000	4.70	223764ET4	06/01/2012

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 \$ _____. All of which has been defeased as described above.

* This notice shall be given not more than 60 nor less than 30 days prior to June 1, 2012 by first class mail to each registered owner of the Bonds. In addition notice shall be mailed at least 35 days prior to June 1, 2012 to The Depository Trust Company of New York, New York; Seattle-Northwest Securities Corporation, Seattle, Washington; Moody's Investors Service, Financial Security Assurance, Inc., and to the MSRB.

APPENDIX C

Fee Schedule

Escrow Agent Fee: \$ _____

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Woodland School District No. 404, Cowlitz and Clark Counties, Washington, (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 2552 of the Board (the "Resolution"), duly passed at a regular meeting thereof held on the 23rd day of January, 2012.

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 passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said 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 23rd day of January, 2012.

Secretary, Board of Directors