

REFUNDING TRUST AGREEMENT

THIS REFUNDING TRUST AGREEMENT (the “Agreement”) is made and entered into as of August 31, 2016, by and between CENTRAL WASHINGTON UNIVERSITY (the “University”), a public institution of higher education of the State of Washington, and _____ of _____ (the “Refunding Trustee”).

WHEREAS, the University now has outstanding \$29,380,000 aggregate principal amount of its System Revenue Bonds, Series 2008, maturing on May 1 of each of the years 2019 through 2028, inclusive, and 2033 and 2038, and bearing interest at various rates ranging from 4.00% to 5.00% (the “Refunded Bonds”); and

WHEREAS, pursuant to Resolution No. 16-_____ of the University (the “Series Resolution”), the University has determined that the Refunded Bonds be refunded out of the proceeds of the sale of its System Revenue Refunding Bonds, Series 2016 (the “Bonds”), for the purpose of realizing a debt service savings for the University; and

WHEREAS, the advance refunding of the Refunded Bonds will be accomplished pursuant to this Agreement (including Exhibit A attached hereto) and the Series Resolution, which documents provide for and, for the purpose of Sections 103, 148, and 149(d) of the Internal Revenue Code of 1986, as amended (the “Code”), are to be considered as the Refunding Plan, by:

(a) The delivery by the University to the Refunding Trustee of the proceeds of the Bonds [and other money of the University];

(b) The purchase by the Refunding Trustee of the obligations listed on Exhibit A attached hereto and made a part hereof by this reference (the “Acquired Obligations”) or substituted obligations purchased pursuant to Section 2 at or prior to the date the Bonds are delivered to the original purchaser thereof and the University receives full payment therefor (the “Issue Date”), which Acquired Obligations satisfy the requirements of the Verification described in paragraph (c);

(c) The delivery to the University and the Refunding Trustee of a verification (the “Verification”) by a nationally recognized independent certified public accounting firm verifying the mathematical accuracy of the computations (which computations shall be attached to the Verification) showing that the Acquired Obligations to be purchased by the Refunding Trustee pursuant to the Series Resolution and this Agreement, together with the specified beginning cash balance, if any, and the maturing principal of and interest on such Acquired Obligations, will provide sufficient money (assuming that all principal of and interest on the Acquired Obligations are paid on the due dates thereof and assuming no reinvestment of such maturing principal and interest) to pay interest on the Refunded Bonds when due up to and including May 1, 2018, and on May 1, 2018, call, pay, and redeem all of the outstanding Refunded Bonds at a price of par;

(d) The receipt by the Refunding Trustee of the maturing installments of principal of and interest on the Acquired Obligations; and

(e) The Refunding Trustee's payment to the Fiscal Agent of the State of Washington (the "Fiscal Agent") of money sufficient to make the payments on the Refunded Bonds set forth herein;

and

WHEREAS, upon the issuance of the Bonds to carry out the Refunding Plan under the authority of chapter 39.53 RCW and other laws of the State of Washington (collectively, the "Refunding Bond Act"), the principal amount of the Refunded Bonds no longer shall be considered outstanding pursuant to the defeasance provisions of Resolution No. 08-01 that authorized the issuance of the Refunded Bonds (the "Refunded Series Resolution"); and

WHEREAS, the Board of Trustees of the University has found that the refunding of the Refunded Bonds, through the issuance of the Bonds, is beneficial and will realize a debt service savings to the University and its ratepayers; and

WHEREAS, the Board of Trustees of the University, pursuant to the Series Resolution, has duly and validly authorized the execution and delivery of this Agreement, the delivery of the proceeds of the Bonds to the Refunding Trustee, the purchase by the Refunding Trustee of the Acquired Obligations and the carrying out of the Refunding Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and for the benefit of the University, the parties hereto agree as follows:

Section 1. Delivery of Money to Refunding Trustee. On the Issue Date, the University shall cause to be delivered to the Refunding Trustee all of the proceeds of the Bonds [and \$ _____ of money of the University on deposit in the System Revenue Bond Fund, _____, for a total of \$ _____].

Section 2. Investment and Expenditure of Money. On the Issue Date, the Refunding Trustee shall apply \$ _____ to pay on behalf of the University the purchase and/or subscription prices of the Acquired Obligations, from the sources, in the principal amounts, with the dates of maturity and bearing the interest rates or yields set forth in Exhibit A, and \$ _____ to establish a beginning cash balance. Upon receipt thereof, the Refunding Trustee shall deliver to the University copies of the documents evidencing the purchase of and payment for the Acquired Obligations. Investments in mutual funds and unit investment trusts are prohibited.

On the Issue Date, the Refunding Trustee, on behalf of the University, shall use the remaining \$ _____ to pay the costs of issuance and sale of the Bonds as set forth in the closing memorandum for the Bonds from the Bond proceeds deposited with the Refunding Trustee and not needed to refund the Refunded Bonds, and shall transfer all remaining proceeds to the University for application in accordance with the Series Resolution.

Section 3. Sufficiency of Acquired Obligations. Based upon the Verification, the University represents that the Acquired Obligations and the maturing principal thereof and the interest thereon, if paid when due, together with the beginning cash balance, shall be sufficient to make when due the payments required by the Refunding Plan. The schedules of the sources, amounts, maturities, and interest rates or yields of the Acquired Obligations and of the Refunded Bonds that will fulfill the foregoing requirements are set forth in the Verification.

Section 4. Collection of Proceeds of Acquired Obligations and Application of Such Proceeds and Money. The Refunding Trustee shall present for payment and shall collect and receive on the due dates thereof the maturing installments of the principal of and the interest on the Acquired Obligations and any Substitute Obligations (defined herein). The Refunding Trustee shall make payments, but only in the amounts received pursuant to this section, in a timely manner to the Fiscal Agent of the amounts to be paid on the Refunded Bonds as shown in the Verification. Those payments shall be made by check, wire transfer, or such other method of transfer of funds as shall be agreed upon by the Refunding Trustee and the Fiscal Agent.

Section 5. Notice of Defeasance/Notice of Redemption. The Refunding Trustee agrees to give a notice of defeasance and a notice of redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds, and in substantially the forms attached hereto as and as described in Exhibits B and C, to the Fiscal Agent for distribution as described therein. The notice of defeasance shall be given within two business days following the execution of this Agreement, and the notice of redemption shall be given in accordance with the Refunded Series Resolution. Notices given to the Municipal Securities Rulemaking Board (the "MSRB") shall be in the electronic format prescribed by the MSRB and accompanied by the identifying information prescribed by the MSRB. The cost of giving the notices shall be paid by the University.

Section 6. All Obligations and Money and Proceeds Thereof Held in Trust. The Refunding Trustee irrevocably agrees to hold the Acquired Obligations, the Substitute Obligations, if any, the principal thereof and interest thereon, and any other money it may receive pursuant to this Agreement and any reinvestments thereof made pursuant to Sections 8 and 9, in trust and separate at all times from all other funds and investments held by the Refunding Trustee, solely for the purpose of making the payments required by the Refunding Plan. The University irrevocably conveys, transfers, and assigns to the Refunding Trustee the Acquired Obligations, any Substitute Obligations, the principal thereof and the interest thereon, and any other money and investments deposited with the Refunding Trustee pursuant to this Agreement, for the purpose of making such payments. The Refunding Trustee shall not sell, transfer, assign, or hypothecate any Acquired Obligations, reinvestments, or Substitute Obligations except pursuant to Sections 8, 9, 12 and 14.

Section 7. Reports. The Refunding Trustee shall submit a report to the University, at least semiannually, which report shall set forth the cash, Acquired Obligations, and any Substitute Obligations held hereunder by the Refunding Trustee, the obligations which have matured and amounts received by the Refunding Trustee by reason of such maturity, the interest earned on such obligations, a list of any investments or reinvestments made by the Refunding Trustee in other obligations and the interest and/or principal derived therefrom, the amounts paid

to the Fiscal Agent, and any other transaction of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

Section 8. Substitution of Different Obligations or Other Investments. The University reserves the right to substitute from time to time for Acquired Obligations initially purchased in accordance with Section 2, or for obligations purchased under this section, other noncallable, nonprepayable direct obligations of the United States of America and/or obligations unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest authorized to be acquired with the proceeds of the Bonds under the Refunding Bond Act (the “Substitute Obligations”). Prior to effecting any such substitution, the University shall have obtained at its expense and delivered to the Refunding Trustee:

(a) A verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the maturing principal of and interest on the Substitute Obligations and any remaining Acquired Obligations to be held by the Refunding Trustee in the refunding escrow, if paid when due and assuming no reinvestment thereof, together with any other cash then held by the Refunding Trustee, will be sufficient to carry out the Refunding Plan and make all remaining payments required by the Refunding Plan; and

(b) An opinion from Foster Pepper PLLC, bond counsel to the University, its successor or other nationally recognized bond counsel to the University (“Bond Counsel”), that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds, will not cause the interest on the Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Bonds.

If the verification delivered to the Refunding Trustee pursuant to Section 8(a) shows that surplus money not needed to make the payments required by the Refunding Plan will result from the sale, transfer, or other disposition of Acquired Obligations and the substitution of Substitute Obligations therefor, that surplus money at the written request of the University shall be released from the trust estate and shall be transferred to the University to be used for any lawful University purpose, subject to any restrictions stated in the opinion of Bond Counsel required by Section 8(b).

Section 9. Reinvestment of Proceeds of Acquired and/or Substitute Obligations. The proceeds (principal and interest) and reinvestment proceeds of any Acquired Obligations and/or Substitute Obligations held by the Refunding Trustee in accordance with this Agreement, that are not needed within five business days of the receipt thereof to make the payments required by the Refunding Plan, shall be reinvested by the Refunding Trustee, but only upon receipt of written request of the University, on such date of receipt or the next business day. The University shall direct such reinvestment subject to the following conditions:

(a) Except as provided in subsection (c) of this section, the proceeds of such Acquired Obligations and/or Substitute Obligations shall be reinvested in Substitute Obligations at a yield that will not cause the composite yield on the refunding escrow to exceed _____% during its term or such higher yield as may be directed by letter of instructions from the University to the Refunding Trustee, but if the composite yield on the directed investments made pursuant to this Agreement would exceed _____%, such letter of instructions shall contain a verification of such composite yield and shall be based upon and accompanied by the opinion of Bond Counsel approving reinvestment of such proceeds at such higher yield;

(b) The obligations in which such proceeds are reinvested shall mature in an amount at least equal to their purchase price on the date or dates directed by the University, but not later than the date (as shown by the then most recent certified public accountant verification) the principal thereof is needed to make the payments required by the Refunding Plan;

(c) If such proceeds, together with other funds remaining in trust, are insufficient to reinvest in the smallest denomination of such obligations or are required to be used to make payments required by the Refunding Plan sooner than the shortest maturity available for such obligations, then those proceeds and funds either shall be converted to United States currency and retained or shall remain uninvested in the refunding escrow and carried on the books of the Refunding Trustee until required to make the payments required by the Refunding Plan, or until sufficient money is accumulated to permit the investment thereof; and

(d) "Yield," as used in subsection (a) of this section with respect to the Acquired Obligations and Substitute Obligations, means the yield computed in accordance with and permitted by the Code applicable to the Bonds and the trust under this Agreement so as to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

The Refunding Trustee may make any and all investments permitted by the provisions of this section through its own investment department or the investment departments of any of its affiliates.

Section 10. Amendments to Agreement. The Refunding Trustee and the University recognize that the registered owners of the Refunded Bonds and the Bonds from time to time have a beneficial interest in the Acquired Obligations, the Substitute Obligations, and money to be held by the Refunding Trustee as herein provided. Therefore, this Agreement is irrevocable and shall not be subject to amendment except for the purpose of clarifying any ambiguity herein, increasing the protection of the rights of the registered owners of the Refunded Bonds or the Bonds, or preserving the exclusion of the interest on the Refunded Bonds and the Bonds from gross income for federal income tax purposes, and only if such amendment is accompanied by an opinion addressed to the University and the Refunding Trustee from Bond Counsel to the effect that such change is necessary for one of the above reasons and does not materially adversely affect the registered owners of the outstanding Refunded Bonds and the Bonds or that it

strengthens the protection of the registered owners of the Refunded Bonds and the Bonds and does not materially adversely affect the registered owners of the Refunded Bonds and the Bonds. If such amendment affects the amount of money and investments in the escrow account or the application thereof, prior to the amendment's taking effect there also shall be a verification by a nationally recognized independent certified public accounting firm satisfactory to the Refunding Trustee to the effect that after such amendment the Acquired Obligations, Substitute Obligations, and other money in the escrow account will be sufficient to make the payments required by the Refunding Plan. A copy of such verification shall be delivered to the Refunding Trustee.

Section 11. Limitation of Liability of Refunding Trustee. None of the provisions contained in this Agreement shall require the Refunding Trustee to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Refunding Trustee shall be under no liability for the payment of interest on any funds or other property received by it hereunder except to the extent the Refunding Trustee is required by the express terms of this Agreement to invest such funds.

The Refunding Trustee's liabilities and obligations in connection with this Agreement are confined to those specifically described herein. The Refunding Trustee is authorized and directed to comply with the provisions of this Agreement and is relieved from all liability for so doing notwithstanding any demand or notice to the contrary by any party hereto. The Refunding Trustee shall not be responsible or liable for the sufficiency, correctness, genuineness, or validity of the Acquired Obligations or the Substitute Obligations deposited with it; the performance or compliance by any party other than the Refunding Trustee with the terms or conditions of any such instruments; or any loss which may occur by reason of forgeries, false representations, or the exercise of the Refunding Trustee's discretion in any particular manner unless such exercise is negligent or constitutes willful misconduct.

If any controversy arises between the University and any third person, the Refunding Trustee shall not be required to determine the same or to take any action in the premises, but it may institute, in its discretion, an interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable.

Section 12. Remittance of Funds When Refunded Bonds Paid in Full. At such time as the Refunding Trustee has received the representation of the University that all of the payments required by the Refunding Plan have been made and the confirmation of such representation by the Fiscal Agent, together with such other evidence of such payments as shall be satisfactory to the University and the Refunding Trustee, the Refunding Trustee shall deliver forthwith or remit to the University any remaining Acquired Obligations, Substitute Obligations, and money held pursuant to this Agreement.

Section 13. Compensation of Refunding Trustee. The payment arrangement heretofore made between the Refunding Trustee and the University on compensation and expenses of the Refunding Trustee for services rendered by it pursuant to the provisions of this Agreement is satisfactory to it and to the University, and no further payment to the Refunding Trustee shall be required for such purpose. Such arrangement for compensation and expenses is intended as compensation for the ordinary services as contemplated by this Agreement, and if the Refunding Trustee renders any service hereunder not provided for in this Agreement, or the

Refunding Trustee is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Refunding Trustee shall be compensated reasonably by the University for such extraordinary services and reimbursed for all fees, costs, liability, and expenses (including reasonable attorneys' fees) occasioned thereby. The Refunding Trustee shall not have a lien against or otherwise be compensated for its services and expenses from the money, Acquired Obligations, and Substitute Obligations held pursuant to this Agreement to make the payments required by the Refunding Plan.

Section 14. Successor Refunding Trustee. The obligations assumed by the Refunding Trustee pursuant to this Agreement may be transferred by the Refunding Trustee to a successor if (a) the Refunding Trustee has presented evidence satisfactory to the University and to Bond Counsel that the successor trustee meets the requirements of RCW 39.53.070, as now in effect or hereafter amended; (b) the University approves the appointment of the successor trustee; (c) the successor trustee has assumed all of the obligations of the Refunding Trustee under this Agreement and has been compensated; and (d) all of the Acquired Obligations, reinvestments, Substitute Obligations, and money then held by the Refunding Trustee pursuant to this Agreement have been duly transferred to such successor trustee.

Notwithstanding anything to the contrary contained in this Agreement, any company into which the Refunding Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which the Refunding Trustee is a party, or any company to which the Refunding Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Refunding Trustee without execution or filing of any paper or further act, if such company is eligible to serve as Refunding Trustee under RCW 39.53.070.

Section 15. Miscellaneous. This Agreement is governed by Washington law without regard to the conflict of laws provisions thereof and may not be modified except by a writing signed by the parties and subject to the limitations of Section 10. If 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, illegal, or unenforceable provision had never been contained herein.

Section 16. Notice to Rating Agencies. The Refunding Trustee shall notify all national rating agencies maintaining (at the request of the University) a rating on the Refunded Bonds or the Bonds, in writing upon timely receipt of notice or evidence of either of the following circumstances:

- (a) Prior to their taking effect, any amendments to this Agreement under Section 10, enclosing the proposed amendatory documents; and
- (b) The holding (referred to in Section 15) that one or more provisions of this Agreement are invalid, illegal, or unenforceable in any respect, enclosing a copy of that holding.

Such notices shall be sent to the applicable rating agencies by first class mail to the addresses advised by those rating agencies.

[Signature page follows]

Section 17. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement pursuant to due and proper authorization, all as of the date and year first above written.

CENTRAL WASHINGTON UNIVERSITY _____, as Refunding Trustee

By _____
Chief Financial Officer/Vice President,
Business and Financial Affairs

By _____
Title: _____

[OPEN MARKET ESCROW]

EXHIBIT A

CENTRAL WASHINGTON UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS, SERIES 2016

ACQUIRED OBLIGATIONS

<u>TYPE*</u>	<u>MATURITY DATE</u>	<u>PAR AMOUNT</u>	<u>INTEREST RATE</u>	<u>PURCHASE PRICE</u>
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* [insert description of obligation]

[SLGS ESCROW]

EXHIBIT A

CENTRAL WASHINGTON UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS, SERIES 2016

ACQUIRED OBLIGATIONS

<u>TYPE*</u>	<u>MATURITY</u> <u>DATE</u>	<u>PAR</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
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* CERT - United States Treasury Certificate of Indebtedness—State and Local Government Series
NOTE - United States Treasury Note—State and Local Government Series

EXHIBIT B

Notice of Defeasance*

Central Washington University System Revenue Bonds, Series 2008

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds with respect to which, pursuant to the Refunding Trust Agreement dated as of August 31, 2016, by and between Central Washington University (the "University"), and _____ (the "Refunding Trustee"), there has been deposited into an escrow account, held by the Refunding Trustee, cash and non-callable [direct obligations of the United States of America], the principal of and interest on which, when due, will provide money to pay each year, to and including the redemption date of such bonds so provided for, the principal thereof and interest thereon (the "Refunded Bonds"). The Refunded Bonds are therefore deemed to be no longer outstanding pursuant to Section 14 of Resolution No. 08-01 of the University authorizing the issuance of the Refunded Bonds, but will be paid by application of the assets in such escrow account.

The Refunded Bonds are described as follows:

Central Washington University System Revenue Bonds, Series 2008 (Dated June 18, 2008)

Maturity Date (May 1)	Par Amount Defeased	Interest Rate	Call Date (at 100%)	CUSIP No.
2019	\$ 950,000	4.000%	May 1, 2018	155839 CN1
2020	985,000	4.000	May 1, 2018	155839 CP6
2021	1,025,000	4.125	May 1, 2018	155839 CQ4
2022	1,070,000	4.250	May 1, 2018	155839 CR2
2023	1,115,000	4.250	May 1, 2018	155839 CS0
2024	1,160,000	4.250	May 1, 2018	155839 CT8
2025	1,210,000	4.375	May 1, 2018	155839 CU5
2026	1,265,000	4.375	May 1, 2018	155839 CV3
2027	1,320,000	4.500	May 1, 2018	155839 CW1
2028	1,380,000	4.500	May 1, 2018	155839 CX9
2033 ⁽¹⁾	7,900,000	4.625	May 1, 2018	155839 CY7
2038 ⁽¹⁾	10,000,000	5.000	May 1, 2018	155839 CZ4

(1) Term Bond

_____, as Refunding Trustee

Dated: _____

* This notice shall be given within two business days following the execution of this Agreement by first class mail, postage prepaid, to each registered owner of the Refunded Bonds. In addition, notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service and Standard & Poor's at their offices in New York, New York, or their successors; Barclays Capital Inc. at its office in New York, New York; Assured Guaranty Municipal Corp. at its office in New York, New York (Policy No. 210584-N); and the Municipal Securities Rulemaking Board.

EXHIBIT C

Notice of Redemption*

Central Washington University System Revenue Bonds, Series 2008

NOTICE IS HEREBY GIVEN that Central Washington University has called for redemption on May 1, 2018, all of its outstanding System Revenue Bonds, Series 2008 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus accrued interest to May 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 the Bonds shall cease to accrue on May 1, 2018.

The following Bonds are being redeemed:

<u>Maturity Date</u> <u>(May 1)</u>	<u>Par Amount</u> <u>Refunded</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>No.</u>
2019	\$ 950,000	4.000%	155839 CN1
2020	985,000	4.000	155839 CP6
2021	1,025,000	4.125	155839 CQ4
2022	1,070,000	4.250	155839 CR2
2023	1,115,000	4.250	155839 CS0
2024	1,160,000	4.250	155839 CT8
2025	1,210,000	4.375	155839 CU5
2026	1,265,000	4.375	155839 CV3
2027	1,320,000	4.500	155839 CW1
2028	1,380,000	4.500	155839 CX9
2033 ⁽¹⁾	7,900,000	4.625	155839 CY7
2038 ⁽¹⁾	10,000,000	5.000	155839 CZ4

(1) Term Bond

By Order of Central Washington University

U.S. Bank, National Association, as Paying Agent

Dated: _____

* This notice shall be given not less than 30 nor more than 60 days prior to May 1, 2018, by first class mail, postage prepaid, to each registered owner of the Bonds to be redeemed. In addition, notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service and Standard & Poor's at their offices in New York, New York, or their successors; Barclays Capital Inc. at its office in New York, New York; Assured Guaranty Municipal Corp. at its office in New York, New York (Policy No. 210584-N); and the Municipal Securities Rulemaking Board.

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.