

## OFFERING MEMORANDUM

Book-Entry Only

Moody's Rating: P-1

S&P Rating: A-1+



### UNIVERSITY OF WASHINGTON General Revenue Notes (Commercial Paper)

**Not to exceed \$250,000,000**

**Series A**  
(Tax-Exempt)

**Series B**  
(Taxable)

This Offering Memorandum provides information concerning two series of commercial paper notes (the "Commercial Paper Notes") issuable by the University of Washington (the "University"). The Commercial Paper Notes consist of (i) a tax-exempt series (the "Series A Notes," or the "Tax-Exempt Commercial Paper Notes") and (ii) a taxable series (the "Series B Notes," or the "Taxable Commercial Paper Notes"). The Commercial Paper Notes are issuable from time to time to finance and refinance certain capital projects and working capital of the University. Merrill Lynch, Pierce, Fenner & Smith Incorporated currently serves (and as of June 30, 2017, BofAML Securities, Inc. will serve) as the dealer for the Commercial Paper Notes (the "Dealer") and Wells Fargo Bank, National Association currently serves as issuing and paying agent for the Commercial Paper Notes (the "Issuing and Paying Agent").

The Commercial Paper Notes will be issued as fully registered obligations and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds and purchases of beneficial interests in the Commercial Paper Notes will be made in book-entry form as more fully described under the heading "Description of the Commercial Paper Notes." So long as DTC or its nominee is the registered owner of the Commercial Paper Notes, payments of principal of and interest on the Commercial Paper Notes will be made directly to DTC or to such nominee. Disbursements of such payments to DTC's Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants, as more fully described in Appendix B.

The Commercial Paper Notes are special fund obligations of the University, payable solely from General Revenues and the money and investments deposited into the General Revenue Note Fund. Certain Notes are also payable from building fees and money and investments in the University of Washington bond retirement fund. The Commercial Paper Notes shall not constitute an obligation, general, special or moral, of the State, and shall not be a general or moral obligation of the University. The Registered Owners of the Commercial Paper Notes shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal thereof or the interest or any premium thereon. The University has no taxing power.

The forms of opinions of Pacifica Law Group LLP, Seattle, Washington ("Bond Counsel"), delivered to the University, the Issuing and Paying Agent, and the Dealer are set forth in Appendix A-1 and A-2.

**BofA Merrill Lynch**

Dated: March 21, 2017

## **INFORMATION CONCERNING THE OFFER**

No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation, other than the information and representations contained in this Offering Memorandum, in connection with the sale of the Commercial Paper Notes and, if given or made, such information or representations must not be relied upon as having been authorized by the University. This Offering Memorandum does not constitute an offer to sell or a solicitation or sale of the Commercial Paper Notes.

The Dealer has provided the following sentence for inclusion in this Offering Memorandum. The Dealer has reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Dealer does not guarantee the accuracy or completeness of such information.

Certain statements contained or incorporated by reference in this Offering Memorandum do not reflect historical facts but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Offering Memorandum.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to its date.

**University of Washington**  
**General Revenue Notes (Commercial Paper)**  
**Not to exceed \$250,000,000**

<b>Series A</b> (Tax-Exempt)	<b>Series B</b> (Taxable)
---------------------------------	------------------------------

**INTRODUCTION**

This Offering Memorandum, including the cover page, inside cover page, and appendices, provides information regarding the University of Washington (the “University”) and its General Revenue Notes (Commercial Paper) (the “Commercial Paper Notes”).

**THE UNIVERSITY**

Founded in 1861, the University is a research university with campuses located in Seattle, Tacoma and Bothell, Washington. The University is the largest of six state-funded four-year institutions of higher education in the State of Washington (the “State”). The University is governed by a 10-member Board of Regents, whose members are appointed by the Governor of the State with the consent of the State Senate.

Financial support is received by the University from a variety of sources, including grants and contracts, patient services, tuition and fees, State funding, gifts, auxiliary enterprises, investment income and sales and services. Financial and operating information regarding the University may be obtained as described under “AVAILABLE INFORMATION” and in the information incorporated by reference as described under “INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.”

The total unaudited value of the University’s operating fund investments (currently referred to as the University’s “Invested Funds”) as of the end of Calendar Year 2016 was \$2.339 billion, including the portion invested in the University’s Consolidated Endowment Fund (“CEF”). The Invested Funds pool currently consists of four components: the Cash Pool, the Liquidity Pool (together, the “Cash and Liquidity Pools”), the Diversified Investment Pool, and the Capital Assets Pool (“CAP”). The Cash and Liquidity Pools are invested primarily in short-term and intermediate-term, high quality, fixed-income securities to meet the day-to-day obligations of the University, and serve as the primary sources of liquidity for the University for payment of Commercial Paper Notes. The total unaudited value of the Cash and Liquidity Pools as of the end of Calendar Year 2016 was \$1.619 billion, as summarized on the following table.

**UNIVERSITY LIQUIDITY**  
(as of December 31, 2016)  
(dollars in table in thousands)

		<b>Total (unaudited)</b>
<b>Daily Liquidity</b> <sup>(1)(2)</sup>		
Money Market Funds	\$	30,939
U.S. Treasuries and Agencies		957,209
<b>Weekly Liquidity</b> <sup>(3)</sup>		
Fixed Income	\$	416,069
<b>Total Daily and Weekly Liquidity</b>	\$	1,404,217
<b>Supplemental Retirement Fund</b> <sup>(4)</sup>	\$	214,651
<b>Total</b>	<b>\$</b>	<b>1,618,868</b>

(1) Investments that can be liquidated on a same-day basis, including certain Money Market Funds, checking and deposit accounts at P-1 rated banks, U.S. Treasuries and Agencies with less than three-year maturity that have daily liquidity, and U.S. Treasuries and Agencies with three-year or longer maturities that have daily liquidity.

(2) Excludes general operating account balances of \$57 million held to meet the next-day operating expense payments.

(3) Publicly traded fixed income securities.

(4) Liquidity is restricted for the use of the Supplemental Retirement Fund.

*Source: The University*

The following table summarizes the University's outstanding debt obligations by type.

**UNIVERSITY OUTSTANDING OBLIGATIONS**

(as of December 31, 2016)  
(dollars in table in thousands)

	<b>Total (unaudited)</b>
<b>University Obligations</b>	
University Revenue Bonds <sup>(1)</sup>	\$ 1,767,310
Leases (supporting lease revenue bonds)	395,785
State-Issued Reimbursed Bonds and Certificates of Participation <sup>(2)</sup>	132,361
Commercial Paper Notes	67,000
Equipment Leases/Other <sup>(3)</sup>	15,579
Subtotal: General Revenue Obligations	\$ 2,378,035
<b>Component Unit Obligations<sup>(4)(5)</sup></b>	
Northwest Hospital and Medical Center <sup>(6)</sup>	7,847
<b>Total Obligations</b>	\$ 2,385,882

- (1) Includes approximately \$133 million of Reimbursed Bonds paid from Building Fees, which are not included in General Revenues.
- (2) Includes approximately \$23 million of Reimbursed Bonds paid from Metro Tract Revenues, which are not included in General Revenues.
- (3) Includes the FAST Program.
- (4) Debt obligations are non-recourse to the University, but assets and liabilities are consolidated on University financial statements.
- (5) Does not include obligations of Valley Medical Center ("Valley"). Valley is owned and operated by Public Hospital District No. 1 (the "District"). The District entered into a strategic alliance with the University in July 2011. Its revenues are not included in the University's General Revenues. As of December 1, 2016, the District has \$77,385,000 in revenue bonds outstanding and \$226,881,412 of limited tax general obligation bonds payable from nonvoted property taxes levied by the District and from other legally available funds.
- (6) Northwest Hospital & Medical Center (now UW Medicine/Northwest dba Northwest Hospital & Medical Center, or "Northwest") affiliated with the University in January 2010. General Revenues do not include revenues of Northwest.

Source: *The University*

Additional detail on the Commercial Paper Notes is shown in the following table:

**UNUSED COMMERCIAL PAPER AUTHORIZATION**

(as of December 31, 2016)  
(dollars in thousands)

	<b>Total</b>
Maximum Amount Authorized	\$ 250,000
Less: Amount Outstanding	(67,000)
Unused Commercial Paper Authorization	\$ 183,000

Source: *The University*

## **AUTHORITY**

Commercial Paper Notes may be issued by the University pursuant to chapter 28B.140 Revised Code of Washington (“RCW”) and chapter 28B.142 RCW. The Board of Regents authorized the issuance of Commercial Paper Notes pursuant to a resolution of the Board of Regents adopted on July 20, 2006, as amended and restated by a resolution of the Board of Regents adopted on July 16, 2009 (together the “Note Resolution”). Pursuant to the Note Resolution, the University is authorized to issue its Commercial Paper Notes in an aggregate principal amount not to exceed \$250,000,000. Pursuant to the Issuing and Paying Agent Agreement, Commercial Paper Notes may not be issued if such issuance would result in an aggregate principal amount of more than \$100,000,000 of Commercial Paper Notes maturing on an aggregate basis in any five consecutive Business Days, or would result in an aggregate principal amount of more than \$50,000,000 of Commercial Paper Notes maturing on any one Business Day.

The State Legislature has also authorized an additional source of payment for Commercial Paper Notes and other obligations issued to fund approved projects: building fees defined in RCW 28B.15.025 and money and investments in the University of Washington bond retirement fund. Certain Commercial Paper Notes are payable from these sources in addition to General Revenues.

Under current Washington law, Commercial Paper Notes may be issued for any University purpose under chapter 288.142 RCW, for research facilities and equipment under 288.140 RCW, for auxiliary buildings and facilities including dormitories, hospitals, infirmaries, dining halls, student activities, student services, parking, and other University housing under RCW 28B.J 0.300 *et seq.*, and for Metro Tract purposes under RCW 288.20.395 *et seq.*

## **PURPOSE**

The University may use the proceeds of the Series A Notes for any capital purpose, including refunding Outstanding Series A Notes, so long as such use shall not cause any Series A Note to be considered a “private activity bond.” The costs of Governmental Projects (those capital projects of the University that may be financed with tax-exempt governmental obligations) are expected to be paid or reimbursed in whole or in part with the proceeds of the Series A Notes. The proceeds of the Series B Notes may be used for any lawful expenditure of the University, including refunding other Commercial Paper Notes.

## **THE COMMERCIAL PAPER NOTES**

The Commercial Paper Notes are issuable in registered form through the book-entry-only system of The Depository Trust Company (“DTC”), in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof, maturing not more than 270 days from their respective dates of issue and not later than one business day prior to the expiration of any Credit Facility securing the Commercial Paper Notes. Interest on the Tax-Exempt Commercial Paper Notes is to be calculated on the basis of the number of days in an actual 365- or 366-day year, as appropriate, and interest on the Taxable Commercial Paper Notes is to be calculated based on the actual number of days in a 360-day year (comprised of 12 30-day months). The principal of and

the interest on the Commercial Paper Notes are payable at maturity through DTC and the Issuing and Paying Agent. The Commercial Paper Notes are not subject to redemption prior to maturity and may not be transferred or exchanged.

## SECURITY FOR THE NOTES

### *General Revenues*

Only the University's General Revenues are pledged to the payment of its General Revenue Notes (Commercial Paper) (the "Commercial Paper Notes"). General Revenues means all non-appropriated income, revenues, and receipts of the University if and to the extent such funds are not restricted in their use by law, regulation, or contract. For example, the following items are restricted and, therefore, are currently excluded:

- (a) Appropriations to the University by the State from the State's General Fund;
- (b) Each fund the purpose of which has been restricted in writing by the terms of the gift or grant under which such fund has been donated, or by the donor thereof;
- (c) Fees imposed upon students as a condition of enrollment at the University, including but not limited to services and activities fees, building fees, and technology fees; and
- (d) Revenues and receipts attributable to Metro Tract Revenue.

Unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, also would be includable and available to pay obligations secured by General Revenues. The University has reserved the right to add sources of revenues to General Revenues as set forth in the Note Resolution. The University has reserved the right to delete components of General Revenues at its sole option.

The University uses General Revenues for a broad range of University capital and operating purposes, and has pledged its General Revenues to other bonds, notes, leases, and interest rate swap agreements in addition to the Commercial Paper Notes.

Financial support is received by the University from a variety of sources, including grants and contracts, patient services, tuition and fees, State funding, gifts, auxiliary enterprises, investment income and sales and services. Several of these sources are unrestricted and are included in General Revenues: auxiliary systems and patient services, student tuition and fees (less student activities fees, U-Pass fees, technology fees, building fees and loan funds), grant and contract indirect costs, sales and services of educational departments of the University, other operating revenue, and invested funds distribution and net invested funds unrealized gains and losses. In fiscal year ended June 30, 2016, General Revenues of the University totaled \$2,970,945,000. Since the University incorporated auxiliary systems and patient services revenue into General Revenues in 2009, these revenues have represented the largest component of General Revenues. Auxiliary systems and patient services revenue include revenues of the University's housing and

food services, parking services, sports programs, patient services and other auxiliary enterprises as well as other UW Medicine revenues.

### ***Liquidity and Security Provisions***

For so long as the Commercial Paper Notes are not secured by a Credit Facility, the principal of and the interest on the Commercial Paper Notes are payable from the following sources in the following order of priority: first, from proceeds from the sale of other Commercial Paper Notes of the same Series, and, second, from amounts provided by the University. As set forth in the Note Resolution, the principal of and interest on maturing Commercial Paper Notes shall be made from and to the extent that sufficient funds are available in the Note Payment Account for a given Series from the following sources in the following order of priority:

- (1) amounts received from a Drawing if a Credit Facility secures the Commercial Paper Notes and is a direct pay letter of credit (no Credit Facility currently secures the Commercial Paper Notes);
- (2) proceeds of sale of Commercial Paper Notes;
- (3) amounts received from a Credit Facility that secures the Commercial Paper Notes and is not a direct pay letter of credit (no Credit Facility currently secures the Commercial Paper Notes); and
- (4) amounts received from the University.

The University is responsible for managing its liquidity to provide for payment of maturing Commercial Paper Notes when due in accordance with the University's Invested Funds Policy. The Treasury Office is authorized to access the University's Invested Funds (Cash & Liquidity Pools) to provide for payment of maturing Commercial Paper Notes when due.

Pursuant to the Note Resolution, the University may provide for a Credit Facility (as defined in the Note Resolution to include both credit facilities and liquidity facilities). Under the Dealer Agreement, the University has covenanted to notify promptly the Dealer and any Rating Agency then maintaining a rating on the Commercial Paper Notes of the proposed provision or substitution of the Credit Facility and of any modification of the terms of the Credit Facility.

The University's payments in connection with the Commercial Paper Notes are to be made from General Revenues. Under the Note Resolution, the University has obligated itself to pay the Commercial Paper Notes when due from General Revenues. The Commercial Paper Notes are special fund obligations of the University, payable solely from General Revenues and the money and investments deposited into the General Revenue Note Fund. Certain Commercial Paper Notes are also payable from building fees and money and investments in the University of Washington bond retirement fund. Commercial Paper Notes shall not constitute an obligation, general, special or moral, of the State, and shall not be a general or moral obligation of the University. The Registered Owners of the Commercial Paper Note shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate



or expend any of its funds for the payment of the principal thereof or the interest or any premium thereon. The University has no taxing power.

The University has reserved the right to add sources of revenues to General Revenues as set forth in the Note Resolution. The University has reserved the right to delete components of General Revenues at its sole option. The University may pledge General Revenues to other bonds, notes, leases, or obligations. University of Washington General Revenue Bonds, the Commercial Paper Notes and any Additional Bonds and payment agreements in connection with such Additional Bonds shall be equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues. The University has reserved the right to issue additional Commercial Paper Notes and other obligations payable from and secured by the building fee and money and investments in the University of Washington bond retirement fund.

### **AVAILABLE INFORMATION**

The Commercial Paper Notes are exempt from the continuing disclosure requirements of SEC Rule 15c2-12, and the University has not entered, and is not entering, into any continuing disclosure agreement or undertaking with respect to the Commercial Paper Notes.

Pursuant to the University's continuing disclosure agreement entered into by the University with respect to certain outstanding General Revenue Bonds, the University files with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access system ("EMMA") operated by MSRB annual audited financial statements of the University containing financial information and operating data for the prior fiscal year.

Additionally, the University has arranged with the Dealer to make available, upon request, copies of the Note Resolution and of the University's most recent audited financial statements included in its Bondholders Report (which may also be posted on the University's website, currently at <http://f2.washington.edu/treasury/alm/investor-relations>). The University does not undertake to continue to make this information available on its website.

**Requests for any of the foregoing should be directed to:**

Merrill Lynch, Pierce, Fenner & Smith Incorporated/BofAML Securities,  
Inc.  
One Bryant Park, Ninth Floor  
New York, New York 10036  
Attention: Tax Exempt Money Market Desk  
Telephone: 212-449-5101  
Facsimile: 646-736-6960  
Email: DG.TEMM@BAML.COM

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The University incorporates by reference into this Offering Memorandum the following, each of which has been filed by the University with the MSRB through EMMA:

- The University's Official Statement dated October 18, 2016 and supplemented as of December 2, 2016, relating to the University's General Revenue and Refunding Bonds, 2016A and General Revenue Refunding Bonds, 2016B (Taxable) (together, the "General Revenue Bonds").
- The University's audited financial statements and required supplemental information of the University as of and for the fiscal year ended June 30, 2016, which have been filed with the MSRB.

The University also incorporates by reference in this Offering Memorandum any other Official Statements, financial statements, annual operating data or event notices hereafter filed by the University with the MSRB through EMMA ([www.emma.msrb.org](http://www.emma.msrb.org)) relating to the Commercial Paper Notes, the General Revenue Bonds, or any other securities currently outstanding or hereafter issued by the University.

Any statement contained in a document incorporated by reference herein will be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement herein or in any other subsequent document that also is incorporated by reference herein modifies or supersedes such statement.

**TAX MATTERS**

***Tax-Exempt Commercial Paper Notes***

In the opinion of Bond Counsel, interest on the Tax-Exempt Commercial Paper Notes is excludable from gross income for federal income tax purposes under existing law. Interest on the Tax-Exempt Commercial Paper Notes is not an item of tax preference for purposes of either individual or corporate alternative minimum tax and is not included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on certain corporations.

Federal income tax law contains a number of requirements that apply to the Tax-Exempt Commercial Paper Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the Tax-Exempt Commercial Paper Notes and the facilities refinanced with proceeds of the Tax-Exempt Commercial Paper Notes and certain other matters. The University has covenanted to comply with all applicable requirements.

Bond Counsel's opinion is subject to the condition that the University comply with the above-referenced covenants and, in addition, will rely on representations by the University and its advisors with respect to matters solely within the knowledge of the University and its advisors, respectively, which Bond Counsel has not independently verified. If the University fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Tax-Exempt Commercial Paper Notes could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Commercial Paper Notes, regardless of the date on which the event causing taxability occurs.

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Tax-Exempt Commercial Paper Notes. Owners of the Tax-Exempt Commercial Paper Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Tax-Exempt Commercial Paper Notes, which may include original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Prospective purchasers of the Tax-Exempt Commercial Paper Notes should be aware that ownership of the Tax-Exempt Commercial Paper Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Tax-Exempt Commercial Paper Notes. Bond Counsel expresses no opinion regarding any collateral tax consequences. Prospective purchasers of the Tax-Exempt Commercial Paper Notes should consult their tax advisors regarding collateral federal income tax consequences.

Bond Counsel's opinion is not a guarantee of result and is not binding on the Internal Revenue Service (the "IRS"); rather, the opinion represents Bond Counsel's legal judgment based on its review of existing law and in reliance on the representations made to Bond Counsel and the University's compliance with its covenants. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Tax-Exempt Commercial Paper Notes. Owners of the Tax-Exempt Commercial Paper Notes are advised that, if the IRS does audit the Tax-Exempt Commercial Paper Notes, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the University as the taxpayer, and the owners of the Tax-Exempt

Commercial Paper Notes may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Tax- Exempt Commercial Paper Notes until the audit is concluded, regardless of the ultimate outcome.

The University has elected to treat each new money issuance of Tax-Exempt Commercial Paper Notes (a “New Money Issue”) and any Tax-Exempt Commercial Paper Notes delivered to repay such New Money Issue as a single issue for tax purposes. Bond Counsel has delivered its opinion with respect to the previously issued Tax-Exempt Commercial Paper Notes and will deliver an opinion on the date of delivery of each New Money Issue, all in substantially the form set forth in Appendix A-1.

### ***Taxable Commercial Paper Notes***

The interest on the Taxable Commercial Paper Notes is not intended by the University to be excluded from gross income for federal income tax purposes. Owners of the Taxable Commercial Paper Notes should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Taxable Commercial Paper Notes may have federal income tax consequences not described herein and should consult their own tax advisors with respect to federal income tax consequences of owning such Taxable Commercial Paper Notes. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Taxable Commercial Paper Notes other than as expressly described above.

The proposed form of opinion of Bond Counsel with respect to the Taxable Commercial Paper Notes to be delivered on the date of issuance of the Taxable Commercial Paper Notes is set forth in Appendix A-2.

### ***ERISA***

All fiduciaries of qualified employee benefit plans under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or tax-qualified retirement plans and individual retirement accounts under the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Commercial Paper Notes. In all events investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of Commercial Paper Notes.

## **LEGAL INFORMATION**

### ***Litigation***

There is no litigation pending or, to the actual knowledge of the University, threatened questioning the validity of the Commercial Paper Notes or the power and authority of the University to issue the Commercial Paper Notes or seeking to enjoin the issuance of the Commercial Paper Notes.

### *Approval of Counsel*

Legal matters incident to the authorization, issuance and sale of the Commercial Paper Notes by the University are subject to the approval of Bond Counsel, whose approving opinions have previously been delivered and will be delivered with each New Money Issue of the Commercial Paper Notes. The forms of opinions of Bond Counsel are attached hereto as Appendices A-1 and A-2.

### **RATINGS**

Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service ("Moody's") assigned ratings of "A-1+" and "P-1," respectively, to the Commercial Paper Notes. Each of these ratings reflects only the view of the ratings service issuing such rating and is not a recommendation by such ratings service to purchase, sell or hold the obligations rated or as to the market price or suitability of such obligations for a particular investor. There is no assurance that any such rating will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price of the Commercial Paper Notes.

## APPENDIX A-1

### Forms of Opinions of Bond Counsel Series A Notes (Tax-Exempt)

June 24, 2015

University of Washington  
Seattle, Washington

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Seattle, Washington

Re: University of Washington General Revenue Notes (Tax-Exempt Commercial Paper),  
Series A

Ladies and Gentlemen:

We have examined a certified transcript of the proceedings taken in the matter of the issuance by the University of Washington (the “University”) of its General Revenue Notes (Tax-Exempt Commercial Paper), Series A (the “Series A Notes”) and its General Revenue Notes (Taxable Commercial Paper), Series B (the “Series B Notes”) (the Series A Notes and the Series B Notes are referred to collectively as the “Commercial Paper Notes”), all pursuant to a Resolution of the Board of Regents of the University, adopted on July 20, 2006, as amended and restated pursuant to a Resolution of the Board of Regents of the University adopted on July 16, 2009 (together the “Note Resolution”). The aggregate principal amount of Notes outstanding at any time shall not exceed \$250,000,000. Capitalized terms used herein which are not otherwise defined shall have the meanings given such terms in the Note Resolution.

To provide for the sale of the Commercial Paper Notes, the University has entered into an Amended and Restated Dealer Agreement (the “Dealer Agreement”), with Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”).

The Commercial Paper Notes shall be issued in fully registered form, shall be issued in Authorized Denominations within a Series, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated the date of their issuance and shall bear interest payable at maturity, at rates determined from time to time as provided in the Note Resolution and the Dealer Agreement.

Regarding questions of fact material to our opinion, we have relied on representations of the University in the Note Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion that the Series A Notes shall constitute valid obligations of the University, except to the extent that the enforcement of the rights and remedies

of the owners of the Series A Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The Series A Notes are special fund obligations of the University. Both principal of and interest on the Series A Notes are payable solely from General Revenues and the money and investments deposited to a special fund of the University known as the University of Washington General Revenue Note Fund (Commercial Paper) (the "Note Fund") created by the Note Resolution.

The University has obligated and bound itself to set aside and pay into the Note Fund out of General Revenues amounts sufficient to pay the principal of and interest on the Series A Notes as the same become due. The Outstanding General Revenue Bonds, the Commercial Paper Notes and any Additional Bonds are equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues. The University has reserved the right to issue Additional Bonds payable from General Revenues.

Interest on the Series A Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series A Notes is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the University comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series A Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The University has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Series A Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series A Notes.

The University has not designated the Series A Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Series A Notes. Owners of the Series A Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Series A Notes, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PACIFICA LAW GROUP LLP



## APPENDIX A-2

### Forms of Opinions of Bond Counsel Series B Notes (Taxable)

June 24, 2015

University of Washington  
Seattle, Washington

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Seattle, Washington

Re: University of Washington General Revenue Notes (Taxable Commercial Paper), Series B

Ladies and Gentlemen:

We have examined a certified transcript of the proceedings taken in the matter of the issuance by the University of Washington (the "University") of its General Revenue Notes (Tax-Exempt Commercial Paper), Series A (the "Series A Notes") and its General Revenue Notes (Taxable Commercial Paper), Series B (the "Series B Notes") (the Series A Notes and the Series B Notes are referred to collectively as the "Commercial Paper Notes"), all pursuant to a Resolution of the Board of Regents of the University, adopted on July 20, 2006, as amended and restated by a Resolution of the Board of Regents of the University, adopted on July 16, 2009 (the "Note Resolution"). The aggregate principal amount of Notes outstanding at any time shall not exceed \$250,000,000. Capitalized terms used herein which are not otherwise defined shall have the meanings given such terms in the Note Resolution.

To provide for the sale of the Commercial Paper Notes, the University has entered into an Amended and Restated Dealer Agreement (the "Dealer Agreement"), with Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Dealer").

The Commercial Paper Notes shall be issued in fully registered form, shall be issued in Authorized Denominations within a Series, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated the date of their issuance and shall bear interest payable at maturity, at rates determined from time to time as provided in the Note Resolution and the Dealer Agreement.

Regarding questions of fact material to our opinion, we have relied on representations of the University in the Note Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion that the Series B Notes shall constitute valid obligations of the University, except to the extent that the enforcement of the rights and remedies

of the owners of the Series B Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The Series B Notes are special fund obligations of the University. Both principal of and interest on the Series B Notes are payable solely from General Revenues and the money and investments deposited to a special fund of the University known as the University of Washington General Revenue Note Fund (Commercial Paper) (the "Note Fund") created by the Note Resolution.

The University has obligated and bound itself to set aside and pay into the Note Fund out of General Revenues amounts sufficient to pay the principal of and interest on the Series B Notes as the same become due. The Outstanding General Revenue Bonds, the Commercial Paper Notes and any Additional Bonds are equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues. The University has reserved the right to issue Additional Bonds payable from General Revenues.

We express no opinion regarding any federal or state income tax consequences of acquiring, carrying, owning or disposing of the Series B Notes.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Series B Notes. Owners of the Series B Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Series B Notes, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PACIFICA LAW GROUP LLP

## APPENDIX B

### BOOK-ENTRY ONLY SYSTEM

*The following information has been provided by DTC. The University makes no representation regarding the accuracy or completeness thereof. Beneficial Owners should therefore confirm the following with DTC or the Direct Participants (as hereinafter defined). Language in [brackets] with ~~strike-through~~ has been deleted as permitted by DTC as it does not pertain to the Commercial Paper Notes.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for ~~[each issue of]~~ the Securities, ~~[each]~~ in the aggregate principal amount of such issue, and will be deposited with DTC. ~~[If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]~~

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded

on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's

receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

~~[9. — A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]~~

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.