



**Global Corporate Trust Services**  
**1420 Fifth Avenue, 7<sup>th</sup> Floor**  
**Seattle, WA 98101**

**FORM OF NOTICE OF DEFEASANCE**  
Public Utility District No. 1 of Snohomish County, Washington  
Electric System Revenue Refunding Bonds, Series 2005

NOTICE IS HEREBY GIVEN that Public Utility District No. 1 of Snohomish County, Washington (the “District”) has defeased on September 2, 2015 (the “Defeasance Date”) all of the District’s outstanding Electric System Revenue Refunding Bonds, Series 2005, as indicated in the table below (the “Defeased Bonds”).

<u>Date of Issue</u>	<u>Maturity Date</u> (December 1)	<u>Defeased Par</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Retirement Date or</u> <u>Redemption Date</u>	<u>Retirement</u> <u>Price or</u> <u>Redemption</u> <u>Price</u> <u>(% of Principal</u> <u>Amount)</u>	<u>Original</u> <u>CUSIP</u> <u>Number</u> <u>(833102)†</u>
November 3, 2005	2015	\$9,725,000	5.00%	December 1, 2015	100%	VZ6
November 3, 2005	2016	8,645,000	5.00%	December 1, 2015	100%	WA0
November 3, 2005	2017	9,080,000	5.00%	December 1, 2015	100%	WB8
November 3, 2005	2018	9,540,000	5.00%	December 1, 2015	100%	WC6
November 3, 2005	2019	10,010,000	5.00%	December 1, 2015	100%	WD4
November 3, 2005	2020	10,000,000	5.00%	December 1, 2015	100%	WE2
November 3, 2005	2021	10,000,000	5.00%	December 1, 2015	100%	WF9
November 3, 2005	2022	10,180,000	5.00%	December 1, 2015	100%	WG7
November 3, 2005	2023	10,695,000	5.00%	December 1, 2015	100%	WH5
November 3, 2005	2024	11,225,000	5.00%	December 1, 2015	100%	WJ1

The Defeased Bonds are subject to redemption prior to maturity on December 1, 2015 (the “Redemption Date”) at the redemption price (the “Redemption Price”) shown in the table above, or are scheduled to be retired on December 1, 2015 (the “Retirement Date”) at the price shown above (the “Retirement Price”), in case, plus accrued interest to the Redemption Date or the Retirement Date, as applicable.

The District has on the Defeasance Date, from available funds of the District, irrevocably set aside in an escrow fund (the “Escrow Fund”) created for such purpose and held by U.S. Bank National Association, as escrow agent (“Escrow Agent”) pursuant to an Escrow Agreement, dated September 2, 2015, between the District and the Escrow Agent, noncallable Government Obligations, the principal of and interest on which, when due, together with any other moneys deposited into the Escrow Fund, will provide moneys sufficient to pay on the Redemption Date or the Retirement Date, as applicable, the Redemption Price or Retirement Price of, and accrued interest to the Redemption Date or the Retirement Date on, the Defeased Bonds.

The moneys deposited in the Escrow Fund (including the earnings derived from the investment thereof) are irrevocably pledged to the payment of the principal of and interest on the Defeased Bonds. Said moneys have been invested in obligations meeting the requirements of Section 12.4 of Resolution No. 3602, adopted by the Commission on May 16, 1991, as amended and supplemented (the “Resolution”). In accordance with Section 12.4 of the Resolution, all owners of Defeased Bonds are notified that the deposit with respect to the Defeased Bonds required by Section 12.4 of the Resolution has been made, that the Defeased Bonds are deemed to be paid in accordance with the Resolution, and that the Defeased Bonds are no longer outstanding under the Resolution. Owners of the Defeased Bonds are entitled to payment only from the amounts in the Escrow Fund.

Date: **September 2, 2015**

**By U.S. Bank National Association, as Escrow Agent**

† CUSIP numbers are provided for convenience only, and neither the District nor the Escrow Agent bears any responsibility for the accuracy thereof.