

ADDENDUM TO OFFICIAL NOTICE OF SALE

REGARDING

STATE OF WASHINGTON

\$28,425,000*

**CERTIFICATES OF PARTICIPATION, SERIES 2012A
(STATE AND LOCAL AGENCY REAL AND PERSONAL PROPERTY)**

**Evidencing and Representing Undivided Proportionate Interests of the Owners Thereof
in State Payments to be Made by the State of Washington
Pursuant to the Master Financing Agreements**

Sale Date: March 13, 2012

Sale Time: 8:30 a.m., Pacific Time

Pursuant to the terms of the Official Notice of Sale included in its Preliminary Official Statement dated March 2, 2012, the state of Washington hereby modifies the Official Notice of Sale to increase the allowed maximum premium bid and allow for the adjustment of Principal Component in excess of 10 percent, with the approval of the winning bidder for the Certificates of Participation, Series 2012A (State and Local Agency Real and Personal Property) (the "Certificates"). No bid will be considered that offers to pay an amount less than 98 percent (\$27,856,500) nor more than 116 percent (\$32,973,000) of the aggregate Principal Components evidenced and represented by the Certificates. The Treasurer's Representative has reserved the right to adjust the Principal Components upward or downward. However, the Principal Component due on any Principal Payment Date may not be adjusted by more than 10 percent, and the aggregate of such upward and downward adjustments will not exceed 10 percent. Adjustments in any principal amount in excess of 10 percent of the Principal Component of such Principal Payment Date, rounded up to the next \$5,000, may be made with approval of the winning bidder.

The "Adjustment of Principal" and "Premium and Discount" sections of the Official Notice of Sale has been amended with respect to the Certificates, as set forth in the attached Amended and Restated Official Notice of Sale.

The State currently anticipates the delivery date of the Certificates to be March 29, 2012.

The Amended and Restated Official Notice of Sale is attached to this Addendum and is also available through Parity and via the Internet at the Office of the State Treasurer's Home Page: <http://www.tre.wa.gov/investors/investorinformation.shtml>.

Dated March 9, 2012.

* Preliminary, subject to adjustment by the state as provided in this Official Notice of Sale.

AMENDED AND RESTATED OFFICIAL NOTICE OF SALE

\$28,425,000*

**STATE OF WASHINGTON
CERTIFICATES OF PARTICIPATION, SERIES 2012A
(STATE AND LOCAL AGENCY REAL AND PERSONAL PROPERTY)**

**Evidencing and Representing Undivided Proportionate Interests of the Owners Thereof
in State Payments to be Made by the State of Washington
Pursuant to the Master Financing Agreements**

Electronic bids will be received on behalf of the State of Washington (the “state”) at the Office of the Treasurer, Legislative Building, Second Floor, Room 230, 416 Sid Snyder Avenue SW, Olympia, Washington, for the purchase of the above-referenced certificates of participation (the “Certificates”) at

8:30 A.M., PACIFIC TIME, ON MARCH 13, 2012.

The Certificates will be sold on an all-or-none basis. Bids must be submitted electronically via the Qualified Electronic Bid Provider (defined below). See “Bidding Detail.”

All bids received on behalf of the state by the bid time set forth above on such date will be reviewed and verified beginning at that time, by staff acting for the Treasurer’s Representative. Bids received after the bid time will not be considered. Bids will be announced and considered subsequently.

Bidders are referred to the Preliminary Official Statement for additional information regarding the state, the Certificates, the security therefor, and other matters.

Modification; Cancellation; Postponement. Bidders are advised that the Treasurer’s Representative may modify the terms of sale of the Certificates prior to the bidding. If such modification occurs, supplemental information with respect to the sale of the Certificates will be placed on The Bond Buyer Wire (available on TM3, the Thomson Municipal Market Monitor, at <http://www.tm3.com>, which website is not incorporated herein by reference) (the “News Service”) prior to 8:30 a.m., Pacific Time, on the date bids are to be received. In addition, the Treasurer’s Representative may cancel or postpone the date and time for the receipt of bids at any time prior to the opening of the bids. Notice of such cancellation or postponement will be communicated by the Treasurer’s Representative through the News Service as soon as practicable following such cancellation or postponement. If a postponement occurs, bids will be received at the hour and place set forth above on any weekday as the Treasurer’s Representative determines. As an accommodation to bidders, telephonic or facsimile notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from SDM Advisors, Inc., financial advisor to the state, at telephone: (360) 445-0138. Failure of any bidder to receive such notice by telephone, facsimile or the News Service will not affect the legality of the sale.

Each bidder (and not the Treasurer’s Representative or the state) is responsible for the timely electronic delivery of its bid. The official time will be determined by the Treasurer’s Representative and not by any bidder or Qualified Electronic Bid Provider.

* Preliminary, subject to adjustment by the state as provided in this Official Notice of Sale.

Description of the Certificates

The Certificates. The Certificates, evidencing and representing principal in the aggregate amount of \$28,425,000,* will be dated as of their date of initial delivery, which is expected to be March 29, 2012, and will be executed and delivered in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Certificates will evidence and represent interest at such rate or rates as are fixed at the time of sale, payable semiannually on each January 1 and July 1, beginning on January 1, 2013.

The portions of the State Payments designated as principal and evidenced and represented by the Certificates will be payable on July 1 of each year as follows:

Principal Payment Date (July 1)*	Principal Component*
2013	\$ 3,620,000
2014	3,720,000
2015	3,795,000
2016	3,765,000
2017	2,985,000
2018	2,085,000
2019	1,110,000
2020	910,000
2021	935,000
2022	975,000
2023	935,000
2024	600,000
2025	325,000
2026	340,000
2027	350,000
2028	365,000
2029	380,000
2030	395,000
2031	410,000
2032	425,000
Total	<u>\$28,425,000</u>

Adjustment of Principal. The Treasurer's Representative has reserved the right to adjust the foregoing principal components upward or downward. However, the principal component due on any Principal Payment Date may not be adjusted by more than 10 percent, and the aggregate of such upward and downward adjustments will not exceed 10 percent. Adjustments in any principal amount in excess of 10 percent of the Principal Component of such Principal Payment Date, rounded up to the next \$5,000, may be made with approval of the winning bidder. Notice of any adjustment will be provided by the Treasurer's Representative to the successful bidder no later than 11:00 a.m., Pacific Time, on the date bids are to be received. The state is not responsible in the event and to the extent that any such adjustment affects the net compensation to be realized by the successful bidder.

* Preliminary, subject to adjustment by the state as provided in this Official Notice of Sale. These amounts will constitute principal components of Certificates unless Term Certificates are specified by the successful bidder, in which case these amounts will constitute mandatory sinking fund prepayments of Term Certificates. See "Description of the Certificates-Term Certificates."

Term Certificates. Bidders have the option to designate the total Principal Component payable on any two or more consecutive Principal Payment Dates for the Certificates as mandatory prepayments with respect to the Term Certificates; provided, however, that no Principal Component with a Principal Payment date on or before July 1, 2022, may be combined with a Principal Component with Principal Payment Date on or after July 1, 2023, in a single Term Certificate. If no Term Certificates are designated, the Principal Components represented by Certificates payable on each Principal Payment Date will be as set forth above in this Official Notice of Sale, subject to adjustment as provided in this Official Notice of Sale.

Optional Prepayment. The Certificates with Principal Payment Dates on and after July 1, 2023, are subject to prepayment prior to their respective stated Principal Payment Dates, as a whole, or in part in Authorized Denominations, on any date on or after July 1, 2022, upon the exercise by the state at the direction of any Agency of its option to prepay the Principal Components evidenced and represented by those Certificates, at the Prepayment Price (expressed as a percentage of the Principal Components prepaid) of 100 percent, plus accrued interest, if any, evidenced and represented thereby to the Prepayment Date.

Extraordinary Mandatory Prepayment. The Certificates are subject to mandatory prepayment on any date prior to their respective Principal Payment Dates, as a whole, or in part in Authorized Denominations, upon certain governmental takings, loss of title and casualty loss affecting Real Property financed and refinanced by the Certificates, from amounts deposited in the Prepayment Account in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest, if any, evidenced and represented thereby to the Prepayment Date, and without premium.

Mandatory Prepayment. If any of the Certificates are designated as Term Certificates by the successful bidder, those Certificates are subject to mandatory prepayment prior to their respective Principal Payment Dates in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest evidenced and represented thereby to the Prepayment Date, and without premium. See “Term Certificates.”

Book-Entry Only. The Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Certificates. Individual purchases will be made in book-entry form only, and purchasers will not receive physical certificates representing their interests in the Certificates purchased. See Appendix E–“DTC AND ITS BOOK-ENTRY SYSTEM” in the Preliminary Official Statement.

Purpose

The Certificates are being executed and delivered to finance and/or refinance the costs of acquisition and construction of certain real and personal property and improvements for the benefit of certain Agencies, as shown on the table entitled “Participating Agencies” on page ii, and to pay issuance costs with respect to the Certificates.

Security

For a description of the security for the Certificates, see “SECURITY FOR THE CERTIFICATES” in the Preliminary Official Statement.

Bidding Detail

Electronic Bids. Electronic bids for the Certificates must be submitted via a Qualified Electronic Bid Provider only. The state has designated Parity® as the Qualified Electronic Bid Provider for purposes of receiving electronic bids for the Certificates. By designating a bidding service as a Qualified Electronic Bid Provider, the state does not endorse the use of such bidding service.

A bidder submitting an electronic bid for the Certificates thereby agrees to the following terms and conditions:

- (1) If any provision in this Official Notice of Sale with respect to the Certificates conflicts with information or terms provided or required by the Qualified Electronic Bid Provider, this Official Notice of Sale, including any amendments issued through the News Service, shall control.
- (2) Each bidder will be solely responsible for making necessary arrangements to access the Qualified Electronic Bid Provider for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale.
- (3) The state shall not have any duty or obligation to provide or assure access to the Qualified Electronic Bid Provider to any bidder, and the state shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Qualified Electronic Bid Provider or any incomplete, inaccurate or untimely bid submitted by any bidder through the Qualified Electronic Bid Provider.
- (4) The state is permitting use of the Qualified Electronic Bid Provider as a communication mechanism, and not as the state's agent, to conduct the electronic bidding for the Certificates. The Qualified Electronic Bid Provider is acting as an independent contractor, and is not acting for or on behalf of the state.
- (5) The state is not responsible for ensuring or verifying bidder compliance with any Qualified Electronic Bid Provider procedures.
- (6) If the bidder's bid is accepted by the state, this Official Notice of Sale and the information that is transmitted electronically through the Qualified Electronic Bid Provider shall form a contract, and the bidder shall be bound by the terms of such contract.
- (7) Information provided by the Qualified Electronic Bid Provider to bidders shall form no part of any bid or of any contract between the successful bidder and the state unless that information is included in this Official Notice of Sale.

Further information about the Qualified Electronic Bid Provider, including any fees charged, may be obtained by calling Bidcomp/Parity® at (212) 849-5021.

Form of Bids. Bids for the Certificates must be unconditional, and for not less than all of the Certificates. By submitting a bid, each bidder agrees to all of the terms and conditions of this Official Notice of Sale, as they may be modified in accordance herewith. Bids for the Certificates must be submitted electronically via the Qualified Electronic Bid Provider. Bids may not be withdrawn or revised after the time that bids are due.

Interest Rates Bid. Bidders for the Certificates may specify any number of interest rates in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1 percent), or both. The state does not require

the use of ascending coupons. Bidders may not specify more than one interest rate with respect to Certificates with a common Principal Payment Date. Each Certificate must evidence and represent interest from its date to its respective Principal Payment Date. Each Principal Component must be reoffered at a yield that will produce a price of not less than 98 percent.

Premium and Discount. No bid will be considered that offers to pay an amount less than 98 percent (\$27,856,500) nor more than 116 percent (\$32,973,000) of the aggregate Principal Components evidenced and represented by the Certificates.

Selection of Winning Bid

The Certificates will be sold to the bidder submitting a bid in conformance with this Official Notice of Sale that produces the lowest true interest cost (“TIC”) to the state, based on the bid price, the interest rates specified in the electronic bid and the Principal Components identified in this Official Notice of Sale. The TIC will be the rate necessary, when using 360-day year and semiannual compounding, to discount the Principal and Interest Components with respect to the Certificates from the respective Principal Payment Dates to the initial delivery date of the Certificates (currently anticipated to be March 29, 2012) and to the price bid.

The successful bidder will be bound to purchase the Certificates with the Principal Components specified in this Official Notice of Sale, with adjustments, if any, as permitted herein, at such price, and with such interest rates, as are specified in its bid. If there are adjustments to the Principal Components payable on individual Principal Payment Dates, the premium or discount bid by the successful bidder will be adjusted to take into account original issue premiums or discounts for those Principal Payment Dates.

Right of Rejection

The Treasurer Representative reserves the right to reject any or all bids and to waive any irregularity in any bid. In the event that two or more bidders submit bids at the same lowest TIC, the Treasurer’s Representative will determine which bidder is awarded the Certificates in her sole discretion.

Good Faith Deposit

The successful bidder shall deliver a good faith deposit in the amount of \$425,000 to the Treasurer. The good faith deposit may be paid in one of the following ways:

- (1) By federal funds wire transfer delivered no later than 90 minutes following the successful bidder’s receipt of the verbal award. Wiring instructions will be provided to the successful bidder at the time of the verbal award.
- (2) By certified or bank cashier’s check made payable to the order of the State Treasurer and delivered to the Treasurer prior to the time of receipt of the bids.

Any good faith deposit submitted by a bidder whose bid is not accepted shall be returned promptly by the state, but the state shall not be liable for interest for any delay in such return.

If the bid is accepted, the good faith deposit will be deposited by the Treasurer and be applied to the purchase price of the Certificates when the same are delivered and paid for under the terms of the bid, or shall be retained as and for liquidated damages in case the successful bidder fails to accept the Certificates when ready for delivery or fails to complete payment therefor in accordance with the terms of the bid.

Pending delivery of the Certificates, the good faith deposit may be invested for the sole benefit of the state.

Rating; Insurance

Rating. The Certificates have been rated “Aa2” by Moody’s Investors Service, Inc., and the state will pay the fees for this rating. Any other ratings are the responsibility of the successful bidder.

Insurance. The purchase of any insurance policy for the Certificates or the issuance of any commitment therefor will be at the sole option and expense of the successful bidder for the Certificates. Bids for the Certificates may not be conditioned upon obtaining municipal bond insurance or any other credit enhancement, and any increased costs of issuance of the Certificates resulting by reason of such insurance shall be paid by the successful bidder and shall not, in any event, be paid by the state. Payment of any insurance premium and satisfaction of any conditions to the issuance of a municipal bond insurance policy is the sole responsibility of the successful bidder. In particular, the state will neither amend nor supplement the financing documents in any way nor will it enter into any additional agreements with respect to the provision of any such policy.

Failure of any insurance provider to issue or deliver its policy will not constitute cause for failure or refusal by the successful bidder to accept delivery of or tender payment for the Certificates.

The successful bidder must provide the state with the municipal bond insurance commitment and information with respect to the municipal bond insurance policy and the insurance provider for inclusion in the final Official Statement within two business days following the award of the bid by the state. The state will require delivery, on or prior to the date of initial delivery of the Certificates, of:

- (1) a certificate from the insurance provider regarding the accuracy and completeness of the information provided for inclusion in the Official Statement,
- (2) an opinion of counsel to the insurance provider regarding the enforceability of the municipal bond insurance policy, and
- (3) a certificate with respect to certain tax matters,

each in form reasonably satisfactory to the state and Certificate Counsel.

Delivery of Certificates

General. The Certificates will be delivered to DTC in New York, New York, or to the Fiscal Agent on behalf of DTC through Fast Automated Securities Transfer, against payment of the purchase price to the state, in immediately available federal funds less the amount of the good faith deposit. On or before the date of delivery of and payment for the Certificates, the successful bidder shall provide to the state such information as Certificate Counsel to the state deems necessary to determine the yield on the Certificates for purposes of Section 148 of the Internal Revenue Code of 1986, as amended.

Upon award of the Certificates, the successful bidder shall advise the state and Certificate Counsel of the initial reoffering prices at which each Principal Component of the Certificates is reasonably expected on the sale date to be sold to the public (the “Initial Reoffering Prices”) for the state’s inclusion in the final Official Statement for the Certificates. Simultaneously with or before delivery of the Certificates, the successful bidder shall furnish to the state and Certificate Counsel a certificate in form and substance acceptable to Certificate Counsel:

- (1) confirming the Initial Reoffering Prices;
- (2) certifying that a *bona fide* offering of such Certificates has been made to the public (excluding bond houses, brokers and other intermediaries);
- (3) stating the first price at which a substantial amount (at least 10 percent of each maturity) of such Certificates was sold to the public (excluding bond houses, brokers and other intermediaries);
- (4) if the first price at which a substantial amount of any maturity of such Certificates does not conform to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that resulted in that non-conformity; and
- (5) stating which maturities, if any, are amortization installments of Term Certificates maturing in the years specified by the bidder.

The successful bidder for the Certificates must actually reoffer all of the Certificates to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

A draft form of such certificate will be available prior to the sale date from the state's financial advisor, SDM Advisors, Inc.

The Certificates will be delivered in "book-entry only" form in accordance with the Letter of Representations from the state to DTC. As of the date of award of the Certificates, the successful bidder must either participate in DTC or must clear through or maintain a custodial relationship with an entity that participates in DTC.

The state will furnish to the successful bidder one transcript of proceedings; additional transcripts will be furnished at the successful bidder's cost.

If, prior to the delivery of any of the Certificates, the interest component evidenced and represented thereby becomes includable in the gross income of the recipients thereof for federal income tax purposes, or if legislation which would have the same effect if adopted into law is passed by either house of Congress or proposed by a joint conference committee, the successful bidder, at its option, may be relieved of the obligation to purchase the Certificates, and the state, at its option, may be relieved of the obligation to deliver the Certificates.

Cancellation of Sale. The successful bidder has the right, at its option, to cancel its obligation to purchase the Certificates for which it submitted the winning bid if the state fails to cause the execution and delivery of such Certificates within 45 days from the award to the successful bidder, and in such event the successful bidder will be entitled only to the return of the principal amount of the good faith deposit.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Certificates; however, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder therefor to accept delivery of and pay for the Certificates.

The state is responsible for obtaining CUSIP numbers, and all expenses for printing CUSIP numbers on the Certificates will be paid for by the state, but the CUSIP Global Services charge for assignment of those numbers is the responsibility of and shall be paid for by the successful bidder.

Legal Opinion

The state will furnish to the successful bidder and have delivered with the Certificates the legal opinion of Foster Pepper PLLC, Seattle, Washington, Certificate Counsel, in substantially the form attached to the Preliminary Official Statement in Appendix C.

Continuing Disclosure

The state will enter into an undertaking for the benefit of the beneficial owners of the Certificates to provide or to cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the “MSRB”) certain historical financial information and operating data of the state and notice of certain events pursuant to the requirements of paragraph (b)(5)(1) of Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”). See “CONTINUING DISCLOSURE UNDERTAKING” in the Preliminary Official Statement. The state has never failed to comply in any material respect with any previous undertakings entered into pursuant to the Rule.

Closing Documents

As a condition to the obligations of the successful bidder to accept delivery of and pay for the Certificates, the successful bidder will be furnished with the following, dated as of the date of the closing:

- (1) a certificate of the state, signed on behalf of the state by the Treasurer’s Representative, certifying that to her knowledge and belief, and after reasonable investigation, the Preliminary Official Statement relating to the Certificates did not as of its date, and the Official Statement relating to the Certificates did not as of its date or as of the date of closing, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, and no event affecting the Certificates has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect (except that in no event is any representation being made with respect to information therein regarding DTC and its book-entry only system and regarding any municipal bond insurer and its municipal bond insurance policy, and information provided by the successful bidders regarding reoffering prices and yields); and
- (2) a certificate of an Assistant Attorney General of the state, based on such inquiry and investigation deemed sufficient by such Assistant Attorney General, to the effect that, except as otherwise disclosed in the Preliminary Official Statement or the Official Statement, there is no action, suit or proceedings or any inquiry or investigation by or before any court, governmental agency, public board or body in which the state has been served or, to the best of his/her knowledge, is threatened that seeks to restrain or enjoin the sale, execution or delivery of the Certificates or in any other manner affects the validity of the Certificates or the proceedings or authority pursuant to which they are to be sold, executed and delivered, or the validity or enforceability of the Trust Agreement, the Master Financing Agreements, the Site Leases, the Agency Financing Agreements or the Master Assignments.

Official Statement

The Preliminary Official Statement is in a form deemed final by the state for the purpose of the Rule, but is subject to revision, amendment and completion in a final Official Statement, which the state will deliver to the successful bidder not later than seven business days after the state's acceptance of such bidder's proposal, in sufficient quantities to permit the successful bidder to comply with the Rule, at the state's expense.

The successful bidder shall file, or cause to be filed, the final Official Statement with the MSRB within one business day following the receipt of the Official Statement from the state.

The successful bidder also agrees:

- (1) to provide to the Treasurer, in writing, within 24 hours of the acceptance of the bid, pricing and other related information, including the initial reoffering prices of the Certificates, necessary for completion of the final Official Statement as set forth under "Delivery of Certificates—General";
- (2) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements or amendments prepared by the state; and
- (3) to take any and all actions necessary to comply with applicable SEC and MSRB rules governing the offering, sale and delivery of the Certificates to ultimate purchasers, including without limitation, the delivery of a final Official Statement to each investor who purchases the Certificates.

Additional Information

Additional information may be obtained from the undersigned at the Office of the State Treasurer, Legislative Building, Second Floor, Room 230, 416 Sid Snyder Avenue SW, Olympia, Washington 98501 (telephone: (360) 902-9007). The Preliminary Official Statement may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at www.i-dealprospectus.com; telephone (212) 849-5024.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By: /s/ Ellen Evans
Deputy State Treasurer—Debt Management