

**OFFICE OF THE STATE TREASURER  
STATE OF WASHINGTON**



**REQUEST FOR QUALIFICATIONS**

**FOR**

**UNDERWRITING SERVICES**

**FEBRUARY 7, 2013**

Submissions: Due by 4:00 P.M. PT, March 1, 2013

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State of Washington  
Office of the State Treasurer  
Request for Qualifications  
For  
Underwriting Services

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## **I. PURPOSE FOR THIS REQUEST FOR QUALIFICATIONS**

The State of Washington acting through the Office of the State Treasurer (OST) is seeking statements of qualifications of investment banking firms interested in providing underwriting services to the state. Responses to this Request for Qualifications (RFQ) will be used to establish a pool of underwriters qualified to act as Senior Manager or Co-Manager in the issuance of state debt. Underwriters for any bond sales will be selected competitively through a Request for Proposal (RFP) process which will be directed to firms in the pool who have been deemed by the state, in its sole discretion, to have a particular expertise in the relevant area.

Unless otherwise necessary to minimize the costs and risks of state borrowing, it is the policy of the state to issue all fixed-rate state general obligation debt by competitive bid. The state may elect not to negotiate bond issues, consequently underwriting services may not be used. As such, selection of underwriters through this RFQ process does not guarantee that the services of any or all firms in the pool will be used.

No contractual relationship will exist between the state and firms selected through this RFQ process. Contractual relationships will occur only upon the negotiated sale of bonds and will take the form of the Bond Purchase Contract. Appointment to the pool of underwriters will be for a period of four (4) years, unless the state deems it necessary to renew the pool or modify the appointment period. Costs incurred by firms responding to this RFQ will be borne by the respondents.

## **II. INFORMATION ABOUT THE STATE**

The state plans to periodically sell Various Purpose General Obligation Bonds (VP GOs), Motor Vehicle Fuel Tax General Obligation Bonds (MVFT GOs) and Certificates of Participation (COPs). Some sales of general obligation bonds may be directed to retail investors. When and if market conditions allow, refundings of outstanding bonds and COPs will be considered.

In addition, the state expects to issue federal highway grant anticipation revenue bonds in 2013 to generate approximately \$220 million of bond proceeds. The state also may issue general obligation bonds first payable from toll revenues and standalone toll revenue bonds. The issuance of bonds backed by tolls collected in managed lane facilities will also be considered.

Information about the state's debt issuance plans and policies may be found in the most recent Official Statement, the 2013 Debt Affordability Study and the Debt Issuance Policy available at the following link: <http://www.tre.wa.gov/>.

### **III. SCOPE OF SERVICES**

Debt issuance services:

- Provide on-going advice and analysis on optimal financing strategies, structuring, sizing, timing, debt financing techniques and opportunities;
- Assist in the preparation of disclosure documents and rating agency presentations;
- Assist in developing effective outreach to retail and institutional investors;
- Assist in the development of financial planning and modeling for specific projects;
- Keep the state apprised of regulatory developments as appropriate;
- Keep the state apprised of federal funding opportunities;
- Act as Senior Manager or Co-Manager or participant for specific debt issues.

### **IV. NOTICE OF INTENT AND INQUIRIES**

Firms are encouraged to submit a letter to OST indicating their intent to respond to this RFQ by February 21, 2013. Letters of intent shall be submitted electronically to [DMRFP@tre.wa.gov](mailto:DMRFP@tre.wa.gov). Only firms that timely submit a letter of intent to submit will directly receive OST's written response to inquiries and other information issued by OST regarding this RFQ.

Upon receipt of this RFQ and until OST has announced the firms for the underwriter pool, inquiries by firms regarding this RFQ must be addressed only to Ellen Evans in writing at [ellen.evans@tre.wa.gov](mailto:ellen.evans@tre.wa.gov). Firms shall not approach any other OST employee or financial advisor regarding this RFQ. Nothing herein precludes firms from contacting any OST employee or financial advisor on matters not related to this RFQ.

All inquiries from firms concerning this RFQ must be received by Ellen Evans by 4:00PM, February 21, 2013. Written responses will be distributed to all firms that have timely filed a notice of intent as provided above. This RFQ and any subsequent written responses will be posted on the website of the Office of the State Treasurer ([www.tre.wa.gov](http://www.tre.wa.gov)).

### **V. SUBMISSION REQUIREMENTS**

Firms may respond to participate in the State's underwriter pool in the role of Senior Manager and/or Co-Manager. Firms submitting responses to act only as Co-Manager need not respond to Section VI.6 below.

Responses to the full RFQ should be limited to no more than twenty (20) pages (excluding a cover page and lists called for herein that should be included in appendices) and structured to correspond to the sections outlined below. Responses to participate as Co-Manager only should be limited to 10 pages (excluding a cover page and lists called for herein that should be included in appendices).

Any information provided to the state in response to this RFQ is subject to public disclosure pursuant to the state's public records laws as defined in Chapter 42.56 of the Revised Code of Washington (RCW).

**RFQ SCHEDULE (Subject to change)**

February 7, 2013		Distribution of RFQ
February 21, 2013	4:00 pm PT	Deadline for submitting questions to this RFQ
February 21, 2013		Deadline to submit Notice of Intent
March 1, 2013	4:00 pm PT	Deadline for submission of responses to RFQ
March 15, 2013		Selection of firms for the underwriting pool

The state strongly believes that credit default swap trading is not in the best interests of the state and it will not select as underwriter any firm that transacts in credit default swaps for which the State of Washington is the Reference Entity or for which a bond issued by the State of Washington is the Reference Obligation. The state requires that underwriters commit that the legal entity that will provide underwriting services to the state will not, on or after March 15, 2013, become a counterparty to any Washington credit default swap.

By submitting a response to this RFQ, the firm unequivocally acknowledges that the firm has read and fully understands this RFQ, and that the firm has asked questions and received satisfactory answers from OST regarding any provisions of this RFQ with regard to which the firm desired clarification.

OST may cancel or re-advertise this procurement, including rejecting any submitted responses, at its discretion at any time in the process. By submitting a response to this RFQ, the firm agrees to be bound by the requirements outlined in this RFQ.

Please submit 6 hard copies of the RFQ response to:

Ellen L. Evans, Deputy Treasurer  
Office of the State Treasurer  
Legislative Building, Room 230  
416 Sid Snyder Avenue SW  
Olympia, WA 98504

The hard copies of responses must be received by the deadline for submission. Responses that are incomplete or received after the deadline has passed will not be considered. However, the state reserves the right to consider responses that contain only minor variances. Email submittals may be provided in addition to but not in lieu of hardcopies (Please send to [DMRFP@tre.wa.gov](mailto:DMRFP@tre.wa.gov).)

## VI. RESPONSE CONTENT

Please address your responses to questions in this RFQ to the state's particular situation and financing concerns. It is critical to incorporate an understanding of the state's statutory framework, its credit profile and capital planning needs as publicly available.

### 1. Cover Letter

### 2. Knowledge and Experience of Key Personnel

- a) Identify i) the person within the firm who would be expected to act as lead banker and ii) other key personnel assigned to the state. For both i) and ii), specify locations, expected roles and experience with similar clients. Confirm that key personnel will be able to attend meetings in person either in Olympia or Seattle, as necessary. Any changes in the staff must be pre-approved by OST.
- b) For each team member, please provide relevant biographical information in an appendix. For the lead banker, please provide three references.
- c) In the format below, list five negotiated transportation related debt issues *for which the lead banker* acted as lead banker and for which his/her firm was the book-running manager since January 2009. If you are proposing to act as a Co-manager, list issues on which you acted as Co-manager. Please select debt issues that demonstrate experience most applicable to the state and include a case study for the most relevant example that demonstrates the value the banker added to the transaction.

Issuer	Date	Firm role	Par Amount (\$millions)	Bond Type

- d) Please indicate if any of the proposed team members have ever been censured or fined by any state or federal regulatory agency or self-regulatory organization for improper, fraudulent, disreputable or unfair activities related to the sale or underwriting of municipal securities and products.

### 3. Financial and Credit Strengths

- a) Identify in the format below ten large transportation or state level transactions *for which the firm* has acted as the book-running Senior Manager on negotiated sales. Please provide a case study illustrating how your firm's syndicate desk has (a) added significant value in the development and structuring of a transaction and (b) achieved superior pricing results at the time of sale through innovative marketing

strategies, identification of unique pockets of investor demand, commitment of capital, etc. , OR

If you are proposing to act as a Co-manager, list ten large transportation or state level issues on which you acted as Senior or Co-manager.

Issuer	Date	Firm role	Par Amount (\$millions)	Bond type

b) Please provide the following information for the firm as of your most recent reporting quarter:

- i. Total equity capital,
- ii. Total excess net capital,
- iii. Uncommitted excess net capital.

Please provide a case study that demonstrates the firm's ability and "willingness" to utilize its balance sheet to the benefit of an issuer.

c) Provide the short-term and long-term credit ratings for your firm and evidence of your firm's ability and willingness to provide liquidity, credit facilities or bank loans to municipal issuers.

d) Discuss any strategic alliances and any financial arrangements your firm has with other financial companies for the selling and distribution of bonds.

4. Support for the state's debt issues

a) List the firm's participation in bidding (either as a primary or as a participant in a syndicate) for the State of Washington's bonds and COPs in competitive sales since January 2009.

Series	Par Amount	Primary or Member of Syndicate	If member of syndicate list Primary Underwriter

b) Note your firm's participation in the state's retail sales.

c) Provide detail of your firm's secondary market support of State of Washington bonds since January 2012. Include quarterly data on the dollar volume of State of Washington bonds your firm traded (purchased and sold) in 2012.

## 5. Marketing capabilities

- a) Describe the depth and breadth of your firm's retail and institutional municipal securities marketing efforts, nationwide and in the State of Washington.
- b) Provide a summary of the largest holders of the state's GO, GARVEE and toll-backed bonds. Provide detail on the most active buyers of the state's debt in the primary or secondary market since January 2012. In your view, have any investors made significant changes in their positions in the state's debt over the past two years?
- c) Describe two ideas about how the state can further develop efficient and effective outreach to institutional investors in GO bonds, toll-backed bonds and GARVEE bonds.
- d) Describe your firm's approach to investor outreach. Who in your firm would take the lead on developing investor relations for the state? Provide one case study of investor outreach led by your firm and demonstrate its benefit to the issuer.
- e) What new recommendations would you make regarding the state's retail marketing for GO bonds?

## 6. Other Issues

- a) Most of the state's bond financings for transportation projects take the form of MVFT GO bonds first payable from motor vehicle fuel tax revenues. Nationwide, motor vehicle fuel tax revenues are projected to be a declining resource. In your view, what is the appropriate coverage cushion to ensure sufficient future MVFT revenues? Have other states instituted similar coverage policies? Please discuss.
- b) The state may pursue selling debt backed by toll revenue collected on managed lane facilities. The most current managed lane plans for the state are available on [www.wsdot.wa.gov/tolling/eastsidecorridor](http://www.wsdot.wa.gov/tolling/eastsidecorridor) and [http://www.wsdot.wa.gov/NR/rdonlyres/C2E889E5-ABD6-448D-B955-B5976C684790/0/EAG Meeting1 Presentation FINAL WEB.pdf](http://www.wsdot.wa.gov/NR/rdonlyres/C2E889E5-ABD6-448D-B955-B5976C684790/0/EAG%20Meeting1%20Presentation%20FINAL%20WEB.pdf). Please discuss the most cost effective way to leverage projected managed lane revenues in the current market. Note your firm's experience in financing managed lane projects.
- c) The state effectively accessed the TIFIA program for a portion of the SR520 project. Discuss recent changes in security provisions associated with the TIFIA loan process.

- d) The state has considered financings in the form of public private partnerships. Are there any areas or projects for which you believe public private partnerships would offer benefits to the state?
- e) Unless otherwise necessary to minimize the costs and risks of state borrowing, the state intends to issue all fixed rate state general obligation debt by competitive bid. Suggest strategies the state might employ to optimize competitive sale results by managing the size and frequency of new money and refunding GO offerings.
- f) In your view, would the state lose or benefit by limiting the use of sub-5% coupons on the callable maturities of new money or refunding issues? In the current market, could the state benefit from the use of short call features (7-year or 8-year calls)?
- g) Discuss the depth of your firm's quantitative capabilities in financial modeling for projects in which there are multiple sources of revenue and different types of bond financing. Please describe the experience of the individual(s) responsible for this work at your firm.
- h) Please discuss any other financing issues that you believe the state should consider.

## VII. SELECTION CRITERIA

For those firms submitting to act as Senior Managers, selection criteria will include:

- a) Support for the state's debt issues as evidenced by effective participation in bidding on the state's bonds and COPs in competitive sales, and by effective participation as a lead manager or selling group member in the state's periodic retail sales;
- b) Experience of the proposed banking team and firm in senior managing negotiated underwriting of bonds for transportation or state level transactions;
- c) Depth and breadth of municipal bond marketing capabilities;
- d) Experience in senior managing individual toll-backed bond issues;
- e) Depth and breadth of responses to issues raised in Section VI.6; and
- f) Overall best value to the state.

For those firms submitting to act as Co-managers, selection criteria will include:

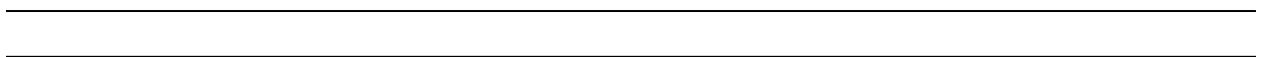
- a) Support for the state's debt issues as evidenced by effective participation in bidding on the state's bond and COPs in competitive sales, and by effective participation as a lead manager or selling group member in the state's periodic retail sales;
- b) Experience in participating in underwriting large bond issues similar to those upcoming for the state;
- c) Depth and breadth of municipal bond marketing capabilities; and
- d) Overall best value to the state.

**VIII. ATTACHMENT- FORM OF BOND PURCHASE CONTRACT**

The form of Bond Purchase Contract the state intends to use for fixed-rate bonds is attached (Attachment A). Proposers may indicate, with an explanation, any provisions of the state's form that are of significant concern to them. However, the state ultimately may determine that it is in its interest to use the language in the attached form.

**Attachment A**

State of Washington Form of Bond Purchase Contract



STATE OF WASHINGTON  
FORM OF  
BOND PURCHASE CONTRACT

\$ \_\_\_\_\_  
[Name of Series]

[Date]

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## BOND PURCHASE CONTRACT

### 1. Offer to Purchase the Bonds; Execution of Terms and Acceptance

The state of Washington (the "State") and \_\_\_\_\_ (the "Underwriter") are entering into this Bond Purchase Contract (the "Contract") to provide for the purchase and sale of the \_\_\_\_\_ (the "Bonds"). The Bonds are further described in Schedule I. The Underwriter has been authorized to execute this Bond Purchase Contract on behalf of the other Underwriters of the Bonds and to act by and on behalf of the other Underwriters.

The Underwriter hereby offers to purchase all (but not less than all) of the Bonds from, and to enter into this Agreement with, the State. This offer is subject to acceptance by the State by 6:00 p.m. (Pacific Time) on \_\_\_\_\_, 20\_\_ (the "Acceptance Deadline"), and, if not so accepted, will be subject to withdrawal by the Underwriter by written notice delivered to the State at any time prior to acceptance. The State shall accept this Agreement by its execution of this Agreement. Upon such execution, this Contract will be binding upon the Underwriters and the State.

### 2. Defined Terms

All capitalized terms used in this Contract and not otherwise defined are used as defined below.

*Acceptance Deadline:* The date set forth in Section 1, being the date and time by which the State must accept this Contract.

*Bond Act:* One or more of the chapters and laws of the State specified in the Bond Resolution as the legislative authorization for the issuance and sale of the Bonds.

*Bond Counsel:* Foster Pepper PLLC of Seattle, Washington.

*Bond Resolution:* Together, Resolution No. \_\_\_\_ adopted by the Committee on \_\_\_\_\_, authorizing the issuance of the Bonds, and Resolution No. \_\_\_\_ adopted by the Committee acting by and through the Treasurer on \_\_\_\_\_, approving the sale of the Bonds, as amended and supplemented to the Closing Date.

*Bonds:* The bonds identified in Section 1 and as more specifically described in Schedule I.

*Closing Date:* The date set forth in Section 7, being the date of the issuance and delivery of the Bonds.

*Committee:* The State Finance Committee acting on behalf of the State as issuer of the Bonds.

*Continuing Disclosure Undertaking:* The continuing disclosure undertaking entered into by the State with respect to the Bonds in accordance with Rule 15c2-12 and which is included in the Bond Resolution.

*Creditors' Rights Laws:* Limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity.

*Disclosure Counsel:* Foster Pepper PLLC, Seattle, Washington.

*DTC:* The Depository Trust Company.

*Effective Date and Time:* The date and time that this Contract is effective, as set forth on the signature page.

*End of the Underwriting Period:* The later of (a) the Closing Date or (b) when the Underwriters no longer retain an unsold balance of the Bonds.

*Exchange Act:* The Securities Exchange Act of 1934, as amended.

*Excluded Sections:* For purposes of the representations and warranties of the State and the opinions of State's Counsel and Bond Counsel, the "Excluded Sections" of the Preliminary Official Statement and the Official Statement shall be: (i) the section entitled "DESCRIPTION OF THE BONDS—Book-Entry System," (ii) the section entitled "UNDERWRITING," and (iii) APPENDIX E—DTC AND ITS BOOK-ENTRY SYSTEM.

*MSRB:* Municipal Securities Rulemaking Board.

*Notice Address:*

STATE:

State Finance Committee  
c/o Office of the State Treasurer  
Legislative Building, Second Floor, Room 230  
416 Sid Snyder Avenue SW  
Olympia, Washington 98504-0200  
Facsimile: (360) 902-9045; Telephone: (360) 902-9007  
UNDERWRITER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_; Telephone: \_\_\_\_\_

*Official Statement:* Official Statement dated the Effective Date, relating to the Bonds, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

*Paying Agent:* The fiscal agent of the State, currently The Bank of New York Mellon.

*Preliminary Official Statement:* Preliminary Official Statement dated \_\_\_\_\_, relating to the Bonds, together with all appendices and any amendments or supplements thereto.

*Purchase Price:* The amount specified in Section 4 as the Purchase Price to be paid by the Underwriter at the Closing for the purchase of the Bonds on the Closing Date.

*Rule 15c2-12:* Rule 15c2-12 promulgated by the SEC under the Exchange Act.

*SEC:* Securities and Exchange Commission of the United States.

*Securities Act:* The Securities Act of 1933, as amended.

*State:* The state of Washington.

*State Documents:* All financing documents to which the State is a party relating to the issuance of and security for the Bonds, as such documents are amended and supplemented to the Closing Date, including, but not limited to:

- (i) the Bond Resolution, and
- (ii) this Contract.

*State's Counsel:* The office of the Washington State Attorney General.

*Trust Indenture Act:* Trust Indenture Act of 1939, as amended.

*Underwriter:* \_\_\_\_\_.

*Underwriters:* The Underwriter and \_\_\_\_\_  
\_\_\_\_\_.

*Underwriter's Counsel:* \_\_\_\_\_.

### **3. Purchase of the Bonds and Public Offering**

The Underwriter shall purchase from the State, and the State shall sell to the Underwriter, all (but not less than all) of the Bonds on the Closing Date at the Purchase Price set forth below. The Bonds shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to optional redemption prior to maturity and to such

other terms and provisions, all as set forth in Schedule I. The Bonds otherwise shall be as described in the Official Statement and the Bond Resolution. The Underwriter's agreement to purchase the Bonds from the State is made in reliance upon the State's representations, covenants and warranties and on the terms and conditions set forth in this Contract.

The Underwriters intend to make a bona fide initial public offering of all the Bonds at prices no higher than, or yields not lower than, those shown in Schedule I (and which will be shown in the Official Statement). The Underwriters reserve the right to lower those initial offering prices as it deems necessary in connection with the marketing of the Bonds. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement. The Underwriters also reserve the right to: (a) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (b) discontinue such stabilizing, if commenced, at any time without prior notice.

The State acknowledges and agrees that (a) the primary role of the Underwriters, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the State and the Underwriters, (b) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent, a municipal advisor, a financial advisor or a fiduciary of the State, (c) the Underwriters have not assumed an advisory or a fiduciary responsibility in favor of the State with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, has advised or is currently advising the State on other matters) or any other obligation to the State except the obligations expressly set forth in this Contract, (d) the State has consulted with its own municipal, legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds, and (e) the Underwriters have financial and other interests that differ from those of the State. The Underwriters agree to comply with all applicable laws and regulations governing the underwriting of the Bonds.

#### **4. Purchase Price**

The Purchase Price of the Bonds is \$\_\_\_\_\_ (representing the principal amount of the Bonds, less underwriter's discount of \$\_\_\_\_\_, and plus a net original issue premium of \$\_\_\_\_\_). The Purchase Price shall be payable on the Closing Date by the Underwriter to or as directed by the State by wire transfer in immediately available funds.

#### **5. Good Faith Deposit**

The Underwriter will deliver to the State, prior to the Effective Date and Time, a Good Faith Deposit in the amount of \$\_\_\_\_\_. The Good Faith Deposit may be delivered to the State in one of the following ways: (i) by federal funds wire transfer in accordance with wiring instructions provided by the State to the Underwriter; or (ii) by certified or bank cashier's check made payable to the order of the State Treasurer. The Good Faith Deposit will be deposited by

the State and applied on the Closing Date as a credit against the payment of the Purchase Price by the Underwriter. Investment earnings on the Good Faith Deposit will be retained by the State for its sole benefit. The Good Faith Deposit shall be held by the State as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds under this Agreement.

In the event that the Underwriter fails (other than for a reason permitted by this Agreement) to accept delivery of and to pay the Purchase Price of the Bonds on the Closing Date as provided in this Agreement, the State shall be entitled to retain the full amount of the Good Faith Deposit as and for full liquidated damages, and not as a penalty, for such failure and for any defaults under this Agreement on the part of the Underwriter. That retention shall constitute a full release and discharge of all claims by the State against the Underwriter arising out of the transactions contemplated by this Agreement. The State and the Underwriter acknowledges that the State's actual damages may be difficult to determine. Accordingly, the Underwriter hereby waives any right to claim that the State's actual damages are less than the amount of the Good Faith Deposit, and the State's acceptance of this offer shall constitute a waiver of any right it may have to additional damages from the Underwriter.

In the event of the State's failure to deliver the Bonds at Closing, or if the State is unable to satisfy the conditions to the obligations of the Underwriters contained in this Agreement (unless such conditions are waived by the Underwriters), or if the obligations of the Underwriters are terminated for any reason permitted in this Agreement, the State shall immediately return the Good Faith Deposit (or the amount of the Good Faith Deposit) to the Underwriter.

## **6. Official Statement**

(a) The State hereby consents to and ratifies the use and distribution by the Underwriters of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriters, and further confirms the authority of the Underwriter to use, and consents to the use of, the final Official Statement with respect to the Bonds in connection with the public offering and sale of the Bonds.

(b) The State hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriters was "deemed final" by the State as of its date for purposes of Rule 15c2-12, except for information permitted by Rule 15c2-12 to be omitted.

(c) The State shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Contract (or within such shorter period as may be agreed by the State and the Underwriters or required by applicable rule) and in any event at least two business days prior to the Closing, at the State's expense, the Official Statement in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the MSRB.

(d) The Preliminary Official Statement and the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the State and the Underwriters.

(e) The State authorizes the Underwriters to file, to the extent required by applicable SEC or MSRB rules, and the Underwriters agree to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with subsection (f) below during the "new issue disclosure period," and if required by applicable SEC or MSRB rules, the Underwriters also shall make the required filings of the amended Official Statement.

(f) During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the State and the Underwriters), the State (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriters and (ii) shall notify the Underwriters promptly if any event shall occur, or information comes to the attention of the State, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriters, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the State shall prepare and furnish to the Underwriters, at the State's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the State and the Underwriters, as the Underwriters may reasonably request. If such notification shall be given subsequent to the Closing Date, the State also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. The "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (A) the Closing Date or (B) when the Underwriters no longer retain an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriters on or prior to the Closing Date, or otherwise agreed to by the State and the Underwriters, the State may assume that the End of the Underwriting Period is the Closing Date. The "new issue disclosure period" is used as defined in MSRB Rule G-32 and shall end on the 25th day after the Closing.

## **7. Closing**

The delivery of and payment for the Bonds shall be the "Closing" for the Bonds and shall occur at or prior to 1:00 p.m., New York City time, on \_\_\_\_\_, or at such other time

or on such other date as may be mutually agreed by the Underwriter and the State. The location of the Closing shall be at the Office of the State Treasurer, Olympia, Washington, or at such other location as may be mutually agreed by the Underwriter and the State.

At the Closing, the State shall deliver or cause to be delivered the Bonds to DTC or to the Paying Agent on behalf of the Underwriter, as further described in the following paragraph. The Bonds shall be delivered in definitive form, duly executed by the State and authenticated in the manner consistent with the Bond Resolution, together with the other documents identified in Section 10. The Bonds shall be made available to the Underwriter for purposes of inspection at least one business day prior to the Closing Date. Subject to satisfaction of the conditions contained in this Contract, the Underwriter will accept delivery of the Bonds, as described above, and pay the Purchase Price, in immediately available funds, payable to the order of the Paying Agent, as described above, or as otherwise directed by the State.

Delivery of the definitive Bonds shall be made through the facilities of DTC's book-entry-only system. The Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of the Bonds and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Unless otherwise agreed by the Underwriter, the Bonds will be delivered under DTC's FAST delivery system.

## **8. Representations and Warranties of the State**

The State hereby agrees with, and makes the following representations and warranties to, the Underwriters, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The State has full legal right, power and authority under the constitution and laws of the State, including the Bond Act, to adopt the Bond Resolution, to execute and deliver the other State Documents and the Official Statement, to issue, sell and deliver the Bonds as provided herein, and to carry out and to consummate the transactions contemplated by the Bond Resolution, the other State Documents and the Official Statement.

(b) By all necessary official action of the State prior to or concurrently with the acceptance hereof, the State has duly authorized and approved (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds, (ii) the issuance and sale of the Bonds upon the terms set forth herein and as provided by the Bond Resolution, the other State Documents and the Official Statement and (iii) the execution and delivery of, and the performance by the State of the obligations on its part contained in, the Bonds, the Bond Resolution and this Contract.

(c) The Bonds will be issued in conformity with and entitled to the benefit and security of the Bond Resolution, including the pledge thereunder of the full faith, credit and taxing power of the State, and the Bond Resolution is in full force and effect and has not been amended, modified or rescinded.

(d) This Contract constitutes a legal, valid and binding obligation of the State enforceable in accordance with its terms; the other State Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the State enforceable in accordance with their respective terms; and the Bonds, when issued, authenticated and delivered in accordance with the State Documents and sold to the Underwriter as provided herein, will be the legal, valid and binding obligations of the State enforceable in accordance with their terms; in all cases, except as the enforceability of the State Documents and the Bonds may be limited by application of Creditors' Rights Laws.

(e) The State is not in breach of or default in any material respect under any resolution authorizing the issuance of State debt or any statute or constitutional provision authorizing the issuance of the Bonds as defined in the Bond Resolution.

(f) The adoption, execution and delivery of the Bonds, the Bond Resolution and the other State Documents, and compliance with the provisions on the State's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the State is a party or to which the State or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the property or assets, if any, of the State to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds, the Bond Resolution and the other State Documents.

(g) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Bonds or the due performance by the State of its obligations under the Bond Resolution, the other State Documents and the Bonds have been duly obtained or will be obtained prior to the Closing, except for: (i) such authorizations, approvals, consents and orders (if any) as may be required under the Blue Sky or comparable laws of any jurisdiction in connection with the offering and sale of the Bonds and (ii) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

(h) The Preliminary Official Statement as of its date did not, and the Official Statement as of its date does not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not

misleading; provided that, the State makes no representation as to the Excluded Sections of the Preliminary Official Statement or the Official Statement.

(i) The excerpts from the financial statements of the State contained in an appendix to the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the State as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles applicable to the State, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the State.

(j) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the State, threatened against the State: (i) affecting the existence of the State or the title to office of any member of the Committee, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the State to issue, adopt or to enter into (as applicable) the Bonds, the Bond Resolution or the other State Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the State or would result in any material adverse change in the ability of the State to pay debt service on the Bonds, (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes as described in the Official Statement, or (vii) contesting the powers of the State to carry out the transactions described in the Official Statement or the Bond Resolution.

(k) The State has entered or will enter into the Continuing Disclosure Undertaking and the State has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(l) The Bond Resolution, the other State Documents and the Bonds conform to the description thereof contained in the Official Statement.

(m) The State has the legal authority to apply proceeds of the Bonds for the purposes contemplated by the Bond Resolution and the other State Documents, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Bonds to the extent required by Section 15 of this Contract and in compliance with applicable law.

(n) Any certificate signed by an authorized officer of the State and delivered to the Underwriter shall be deemed a representation and warranty of the State to the Underwriter as to the statements made therein.

(o) The State shall cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriter may request; provided that the State shall not be required to submit to the general jurisdiction of any other state or to file any general or special consent to service of process under the laws of any jurisdiction.

(p) The State shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds.

(q) The State has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the State is a bond issuer whose arbitrage certificates may not be relied upon.

(r) The State will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter as may be reasonably requested by the Underwriter to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriter and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; *provided, however*, that the State shall not be required to pay the cost or expense of any such qualification or determination or to execute a general or special consent to service of process or quality to do business in connection with any such qualification or determination in any jurisdiction.

## **9. Representations and Warranties of the Underwriter**

The Underwriter hereby agrees with, and makes the following representations and warranties to, the State, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) This Contract has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the State, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Contract may be limited by application of Creditors' Rights Laws.

(c) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and with the MSRB as a municipal bonds dealer.

## 10. Items to be Delivered at Closing

The Underwriter shall receive on the Closing Date, in form and substance satisfactory to Bond Counsel and to the Underwriter, each item specified below, unless waived by the Underwriter:

(a) The approving opinion of Bond Counsel, addressed to the Underwriter (or addressed to the State with a reliance letter addressed to the Underwriter), dated the Closing Date, and in substantially the form included as an appendix to the Official Statement.

(b) The supplemental opinion of Bond Counsel addressed to the Underwriter and to the State, dated the Closing Date, to the effect that:

(i) this Contract has been duly authorized, executed and delivered by the State and constitutes the legal, valid and binding agreement of the State, enforceable against the State in accordance with its terms, except as such enforceability may be limited by Creditors' Rights Laws;

(ii) the statements and information contained in the Official Statement, as of its date and as of the date of such opinion, under the headings "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," and "CONTINUING DISCLOSURE UNDERTAKING" insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Resolution, the opinions and the form of the approving opinion as Bond Counsel in Appendix C, are accurate in all material respects;

(iii) based on their participation in the preparation of the Official Statement as counsel to the State, in which capacity they have been dependent on the certificates, representations, warranties and opinions required to be produced pursuant to, or contained in, this Contract and without having undertaken to determine independently the accuracy and completeness of such documentation (other than as expressly set forth in subsection (ii) above), nothing has come to their attention that would lead them to believe that the information and statements in the Official Statement, as of its date and as of the date of such opinion, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no view will be expressed as to the financial statements of the State, any other financial, forecast, assumptions, expressions of opinion, technical or statistical data or as to the Excluded Sections of the Official Statement;

(iv) the State is duly created and existing and has full legal right, power and authority under the constitution and laws of the State, including the Bond Act, to adopt the Bond Resolution, to execute and deliver the other State Documents and the Official Statement,

and to issue the Bonds and apply the proceeds thereof pursuant to the Bond Resolution and the other State Documents;

(v) by all necessary official action of the State, the State has duly authorized and approved (A) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, (B) the issuance and sale of the Bonds upon the terms set forth in the Bond Resolution, the other State Documents and the Official Statement and (C) the execution and delivery of, and the performance by the State of the obligations on its part contained in, the Bonds, the Bond Resolution and the other State Documents;

(vi) the Bond Resolution, which approves and authorizes the issuance and sale of the Bonds, the distribution of the Preliminary Official Statement and the execution and delivery of the State Documents and the Official Statement, was duly adopted at one or more meetings of the Committee that were called and held pursuant to all applicable laws and regulations, and with all public notice required by all applicable laws and regulations and at which a quorum was present and acting throughout, or were duly approved by the State Treasurer pursuant to the authorized delegation to the State Treasurer by the Committee;

(vii) all authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the State of its obligations under the Bond Resolution, the other State Documents and the Bonds have been duly obtained, except for: (A) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits; and

(viii) the Bonds are exempt securities within the meaning of the Securities Act and the Trust Indenture Act, and the Bonds need not be registered under that Securities Act, nor does the Bond Resolution need to be qualified under the Trust Indenture Act.

(c) A certificate from an Assistant Attorney General that, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the Assistant Attorney General, threatened against the State: (i) affecting the existence of the State or the title to office of any member of the Committee, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the State to issue, adopt or enter into (as applicable), the Bonds, the Bond Resolution or the other State Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the

State or would result in any material adverse change in the ability of the State to pay debt service on the Bonds, (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes as described in the Official Statement, or (vii) contesting the powers of the State to carry out the transactions described in the Official Statement or the Bond Resolution;

(d) The opinion of Underwriter's Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that: (i) the Bonds are exempt from registration under the Securities Act and the Bond Resolution is exempt from qualification under the Trust Indenture Act and (ii) the Continuing Disclosure Undertaking meets the requirements of Rule 15c2-12. In addition, such counsel shall state in its letter containing the foregoing opinion or in a separate letter addressed to the Underwriter that, without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based solely on their participation in meetings and telephone conferences at which representatives of the State, Bond Counsel and the Underwriter were at various times present, nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Official Statement, as of its date and as of the date of such letter, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the State, any other financial, forecast, technical or statistical data, and any information in the Official Statement respecting DTC or contained in Appendices B, C, D or E.

(e) A certificate dated the Closing Date of an authorized officer of the State to the effect that:

(i) the representations and warranties of the State contained in this Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(ii) the State has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing; and

(iii) no event affecting the State has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect.

(f) Written evidence that the following ratings on the Bonds by the applicable rating services are in effect as of the Closing Date: Fitch Ratings: \_\_\_; Moody's Investors Service Inc.: \_\_\_; and Standard & Poor's Rating Services: \_\_\_.

(g) A tax certificate or tax regulatory agreement, executed by a duly authorized officer of the State, in form and substance satisfactory to Bond Counsel, setting forth, among other things, in the manner permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the reasonable expectations of the State as of the Closing Date as to the use of proceeds of the Bonds and of any other funds of the State expected to be used to pay debt service on the Bonds and the facts and estimates on which such expectations are based, and stating that, to the best of knowledge and belief of such certifying officer, the expectations set forth therein are reasonable.

(h) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the State.

(i) A copy of the Blanket Issuer Letter of Representations to DTC relating to the Bonds signed by the State.

(j) True and complete copies of all opinions, certificates and other documents delivered under the Bond Resolution and the other State Documents; and such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel reasonably may request, in form and substance satisfactory to the Underwriter or Bond Counsel, as the case may be, to evidence (i) compliance by the State with legal requirements reasonably relating to the transactions contemplated by the Official Statement and this Contract, (ii) the truth and completeness, as of the date thereof and as of the time of the Closing, of the statements and information contained in the Official Statement, (iii) the truth and completeness, as of the time of the Closing, of the representations and warranties of the State contained in this Contract and the certificates and other documents referred to in this Contract, and (iv) the due performance or satisfaction by the State at or prior to the Closing of all agreements then to be satisfied.

(k) A certified copy of the Bond Resolution together with a certificate of an authorized officer of the State to the effect that the Bond Resolution has not been modified, amended, supplemented or repealed and is in full force and effect.

(l) Full executed copies of each of the State Documents and the Official Statement.

## **11. Closing Conditions.**

The Underwriter has entered into this Contract in reliance upon the representations, warranties and agreements of the State contained herein and upon the accuracy of the statements to be contained in the documents and instruments to be delivered at the Closing. Accordingly, the Underwriter's obligations under this Contract to purchase, accept delivery of and pay for the Bonds are subject to the performance by the State of its obligations required to be performed under this Contract at or prior to the Closing.

At the time of the Closing, the representations and warranties of the State contained in this Contract shall be true, complete and correct in all material respects as if made on and as of the Closing Date; the State shall have complied with all agreements and satisfied all the conditions on its part to be performed at or prior to the Closing; the Bonds shall have been duly executed and delivered and authenticated; the Official Statement shall have been executed and delivered by the State at or prior to the Closing in sufficient time to permit the Underwriter to comply with their obligations under Rule 15c2-12; the State Documents and all other financing or operative documents required in connection with the issuance of the Bonds shall have been duly executed and delivered by the appropriate parties thereto; the Bond Resolution, the other State Documents and such other financing or operative documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter; the proceeds of the sale of the Bonds shall have been paid to the State or its designee for deposit for use as described in the Official Statement, the Bond Resolution and the other State Documents; and the State shall have adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by this Contract and as described in the Official Statement.

The Underwriter shall receive on the Closing Date, in form and substance satisfactory to Bond Counsel and to the Underwriter, each item specified in Section 10 of this Contract, unless waived by the Underwriter.

## **12. Issue Price Certificate**

Upon request of Bond Counsel, the Underwriter shall execute and deliver on the Closing Date an issue price or similar certificate, in form and substance reasonably satisfactory to the State, Bond Counsel and the Underwriter, (i) confirming the initial reoffering prices (“Initial Reoffering Prices”) at which each maturity of the Bonds was reasonably expected on the sale date to be sold to the public, exclusive of bond houses, brokers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (“Public Buyers”); (ii) certifying that a *bona fide* offering of the Bonds has been made to Public Buyers; (iii) stating the first price at which a substantial amount (at least 10%) of each maturity of the Bonds was sold to Public Buyers; and (iv) if the first price at which a substantial amount of any maturity of the Bonds 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.

## **13. Indemnification and Contribution**

No indemnification or contribution is applicable in connection with the issuance and sale of the Bonds.

## **14. Termination Events**

The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Contract by written notice to the State if, between the Effective Date to and including the Closing Date, in the Underwriter's sole and reasonable judgment, any of the following events shall occur (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(ii) there shall have occurred (A) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (B) any other calamity or crisis in the financial markets of the United States or elsewhere; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for Bonds shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, the Bond Resolution or the other State Documents, or any comparable Bonds of the State, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the State shall have occurred; or

(vi) a rating on the Bonds is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the State refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(e) any new restriction on transactions in Bonds materially affecting the market for Bonds (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Contract by the Underwriter, all obligations of the State and the Underwriter under this Contract shall terminate, without further liability, except that the State and the Underwriter shall pay their respective expenses as set forth in Section 15.

## **15. Payment of Expenses**

The Underwriter shall be under no obligation to pay, and the State shall pay from the proceeds of the Bonds (to the extent permitted under applicable law) or from other funds of the State all expenses that are incidental to the performance of the State's obligations under this

Contract, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; all expenses in connection with the preparation, issuance and delivery of the Bonds; the fees and expenses of Bond Counsel, Disclosure Counsel and the State's Counsel; the fees and expenses of the State's financial advisors and all other consultants; the fees and disbursements of the Paying Agent and its counsel; all expenses in connection with obtaining a rating or ratings for the Bonds; all expenses of the State in connection with the preparation, printing, execution and delivery, and any recording or filing, of the Bond Resolution, any other State Documents or any other instrument; the State's administrative fees; all fees and expenses in connection with any interest rate swap agreement and related transactions; and all other expenses and costs of the State incident to its obligations in connection with the authorization, issuance, sale and distribution of the Bonds. Unless the State and the Underwriter otherwise agree, the State shall pay from the proceeds of the Bonds or shall, if approved in writing in advance by the State, reimburse the Underwriter from available funds (in either case, if permitted by applicable law) for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of State personnel) paid by the Underwriter on behalf of the State in connection with the marketing, issuance and delivery of the Bonds.

The Underwriter shall pay the costs of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds, the fees and disbursements of Underwriter's Counsel and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds. Certain expenses of the Underwriter that have been approved by the State may be included in the Underwriter's discount.

## **16. Notices**

All notices ("*Notices*") provided for in this Contract shall be in writing delivered to the applicable Notice Address (or at such other address as may have been designated by written Notice) and may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

## **17. Governing Law**

This Contract and the rights of the State and the Underwriter shall be governed by and construed in accordance with the laws of the State of Washington and venue shall lie exclusively in Thurston County, Washington.

## **18. Miscellaneous**

(a) Amendment, Waiver. No modification, termination or amendment of this Contract may be made except by written agreement or as otherwise may be provided in this Contract.

(b) Entire Contract. All understandings and agreements previously existing between the State and the Underwriter, if any, are merged into this Contract, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement or representation made by the other not embodied herein. This Contract may not be changed or terminated orally.

(c) Assignment. The Underwriter shall not assign its interest in the Contract to another underwriter or any other third party without the express written permission of the State.

(d) Neutral Authorship. Each of the provisions of this Contract has been reviewed and negotiated, and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Contract in favor of or against either the State or the Underwriter in preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Contract.

(e) Severability. In case any one or more of the provisions contained in the Contract 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 provision hereof.

(f) Third-Party Rights Precluded. This Contract is made solely for the benefit of the signatories hereto (including the successors of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor" shall not include any holder of any Bond(s) merely by virtue of such holding.

(g) Survival of Representations and Warranties. All representations and warranties contained in this Contract shall remain operative and in full force and effective, regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds and any termination of this Contract.

(h) Counterparts. This Contract may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

(i) Signatures. Upon execution by the State and the Underwriter, this Contract shall be binding upon the State and the Underwriter as of the Effective Date and Time.

*[signatures on following page[s]]*

*[signature page for Bond Purchase Contract relating to  
[Series Name]]*

ACCEPTED AND AGREED:

STATE OF WASHINGTON

By: \_\_\_\_\_  
Ellen L. Evans  
Deputy State Treasurer – Debt Management  
State of Washington

[NAME OF UNDERWRITER]

By: \_\_\_\_\_  
Authorized Signatory

Effective Date and Time: \_\_\_\_\_

Terms of the Bonds

<u>Maturity</u> <u>(_____ 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
-------------------------------------	-----------------------------------	--------------------------------	--------------

Total \_\_\_\_\_

[Redemption Provisions]