



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

Transportation & Public Construction Division
PO Box 40113 • Olympia WA 98504-0113 • (360) 753-6126

December 3, 2009

RE: Request for Proposal

Dear Counsel:

The Attorney General's Office of the State of Washington coordinates the selection and appointment of private law firms providing legal services to state agencies and institutions of higher education. The Honorable James L. McIntire, on behalf of the State Finance Committee and the Office of the State Treasurer (collectively, the "State"), has requested the appointment of one or more firms to serve as bond counsel and/or certificate counsel and disclosure counsel for bonds and certificates of participation issued by the State of Washington beginning February 20, 2010.

Counsel will be appointed for a specific term to provide service for all financings and associated advice requests during that term. The term will be for two years, with the State having the option to renew the engagement for a maximum length of four years. Selection shall be made by the Attorney General or his designee in consultation and cooperation with the Treasurer or his designee.

Enclosed with this letter are the following documents:

1. Requested Information – Proposal Content (Attachment A);
2. Background Information on State's Debt Issuance Programs (Attachment B);
3. Proposed Draft Agreement for Primary Bond Counsel with Scope of Services (Attachment C);
4. Proposed Draft Agreement for Certificate Counsel with Scope of Services (Attachment D); and
5. Proposed Draft Agreement for Primary Disclosure Counsel with Scope of Services (Attachment E).

If you are interested in being considered for appointment, please submit a proposal with all of the requested information in the Requested Proposal as applicable to the appointment of bond counsel, certificate counsel, disclosure counsel, or any combination thereof.

ATTORNEY GENERAL OF WASHINGTON

December 3, 2009

Page 2 of 2

Written proposals should be submitted to: Johnna S. Craig, Assistant Attorney General, Office of the Attorney General, 7141 Cleanwater Drive SW, Tumwater, Washington, or PO Box 40108, Olympia, Washington 98504-0108. Electronic copies of the proposal should **also** be submitted to Johnna S. Craig at johnnas@atg.wa.gov; to Ellen Evans, Deputy State Treasurer, at ellen.evans@tre.wa.gov; and to the Office of State Treasurer's Debt Management RFP address dmrfp@tre.wa.gov.

**All proposal materials, including the written proposal,
must be received by 5:00 p.m., January 8, 2010.**

The general qualifications for this appointment include: admission to practice in the State of Washington or willingness to become admitted to practice in the State of Washington for any attorney performing work under this appointment, significant experience serving as bond/certificate counsel on behalf of public entities, and a demonstrated and recognized expertise in the field of public finance law. The selection of the successful firm(s) will be based on qualifications, experience, references, price, and past performance, if any, on behalf of the State of Washington.

The Attorney General also reserves the right to select more than one firm if it is determined to be in the best interest of the State. The Attorney General also reserves the right to reject all proposals and select interim bond counsel, or extend the term of the existing bond counsel.

Persons or firms selected to interview for this appointment will be invited to Olympia to interview during the weeks of January 25-29 or February 1-5.

If you have any questions, please feel free to contact Johnna Craig at (360) 586-3457 or Ellen Evans at (360) 902-9007.

We look forward to receiving a proposal from your firm on this matter.

Sincerely,



BRYCE E. BROWN
Senior Assistant Attorney General
(360) 753-4962

BEB:mp

Enclosures

cc: Johnna S. Craig, Assistant Attorney General (MS 40108)

ATTACHMENT A

REQUESTED INFORMATION—PROPOSAL CONTENT

The proposal should contain responses to the following questions. Submit the response to each question on a separate page with the question reproduced at the top of the first page of the response.

1. Cover Letter

Submit a cover letter summarizing your proposal. In the cover letter, identify whether you are submitting a proposal for the position of bond counsel, certificate counsel, disclosure counsel,¹ or any combination thereof.

2. Firm

Briefly describe the firm's practice in public finance and related areas of law and give a brief history of the firm. Provide a firm résumé, if available.

3. Personnel

Provide a list of the individuals who will be assigned to work with the State. Describe the role of each individual and provide his or her location. Please specifically designate the individual(s) who will provide or are prepared to provide service on tax-related matters. If also submitting a proposal for disclosure counsel, please specifically designate which individual(s) will provide service in that capacity. Also describe the anticipated division of duties among partners, associates, and paralegals. Include a brief résumé of each individual showing his or her education, training, and experience.

If any additional attorneys within your firm will be available for consultation, even though they may not be directly assigned to work with the State, identify them and their specialized expertise.

4. Public Finance Experience

Describe your firm's experience serving as counsel for tax-exempt and taxable obligations for large municipal issuers, underwriters, and/or other entities over the past three years. List in an appendix the name of the issuer, the name of the issue, the sale date, the size of the issue, type of issue, method of sale, the role of your firm (e.g., lead bond counsel, co-bond counsel, disclosure counsel, special tax counsel, underwriter's counsel), and where appropriate, indicate the individual(s) listed in # 3 above who rendered the legal opinion(s) for the issue.

¹ Disclosure counsel will provide service to both bond issuances as well as certificate issuances. Proposals for disclosure counsel that do not contemplate disclosure service for both types of issuances will not be considered.

In addition to the above, please also describe your firm's experience serving as counsel for ARRA-related financings including, but not limited to, Build America Bonds, Qualified School Construction Bonds, Qualified Energy Conservation Bonds, public-private partnership financings, or any other unique issuance. Please list in a separate appendix the name of the issuer, the name of the issue, the sale date, the size of the issue, type of issue, method of sale, the role of your firm (e.g., lead bond counsel, co-bond counsel, disclosure counsel, special tax counsel, underwriter's counsel), and where appropriate, indicate the individual(s) listed in # 3 above who rendered the legal opinion(s) for these issuances.

In addition, if your firm is also submitting a proposal for disclosure counsel, please provide at least five examples in which your firm acted as disclosure counsel or underwriter's counsel and list the individual(s) in # 3 above who acted in that capacity. Also provide an example of a 10b-5 opinion your firm is willing to provide as part of your role as disclosure counsel. If your firm has also served as underwriter's counsel and/or disclosure counsel to a private corporation, please also provide examples of 10b-5 opinions your firm has issued in those capacities as well. If any substantive difference exists among these opinions, please explain the rationale for that difference.

5. References

Provide three (3) references from the transactions listed in # 4 above. For each reference, provide the individual's name, title, mailing address, and telephone number.

6. Legal

Please respond to the following questions in connection with any offering of municipal securities in which your firm served as counsel in any capacity:

- a. Is there pending or threatened legal action alleging malpractice against any partner of the firm or any attorney employed by the firm? Please describe each such pending action.
- b. Is there pending or threatened legal action alleging any violation of law in connection with an offering of municipal securities?
- c. Have there been any settlements or judgments involving such actions within the last five (5) years? Please describe such settlement or judgment, including the nature of the action.
- d. Are there pending legal or disciplinary matters involving such actions against the firm by any regulatory agency. Please describe.
- e. Are there any pending legal or disciplinary matters against any member of your firm who you have identified in # 3 above or has there been any legal or disciplinary action brought against such member within the last five (5) years. Please explain in detail.

7. Conflict of Interest

Describe any existing or potential conflict of interest arising from your relationships with or representation of other parties including, but not limited to, financial advisors, bond counsels, and other issuers that should be considered as a factor in determining your objectivity, and provide to the State sufficient facts, legal implications, and possible effects in order for the State to appreciate the significance of each potential conflict.

8. Liability Insurance

Provide information regarding your firm's professional liability insurance.

9. Innovative Ideas

Identify any special legal issues or concerns relating to the State's current disclosure documents and describe how each could be addressed by the State. Provide any recommendation or suggestion you may have regarding these documents.

10. Technology

Describe the technology your firm will be utilizing in providing the services discussed in this REQUEST, including, but not limited to, e-mail capabilities, internet/intranet facilities, and the ability to produce CD ROM transcripts.

11. Additional Services to Be Performed by Your Firm

On many occasions, the State is presented with issues that arise unrelated to the sale of bonds or certificates of participation. Please discuss your firm's ability and willingness to provide the following assistance:

- a. Drafting and/or reviewing draft legislation;
- b. Drafting and/or reviewing contracts;
- c. Providing on-going education to the Office of the State Treasurer and its general counsel;
- d. Advising the School Bond Guarantee Program on a wide range of issues; and
- e. Providing other assistance as necessary.

If your firm has had any experience in any of the above areas, please list in a separate appendix examples of your firm's work in these areas and, if relevant, who, listed in response to # 3 above, provided the service.

12. Services Not to Be Performed by Your Firm

Describe any activity described in this REQUEST or that may be related to work necessarily associated with the State that your firm will be unable to provide or which you feel should be performed by another firm.

13. Fees

Provide a single, fee quote for handling individual Bond issues based on the scope of services described in this REQUEST. Fee quotes should be expressed as dollars (not dollars per \$1,000 of issue par value). Provide a single, hourly rate for the provision of on-going legal services. Reasonable out-of-pocket expenses will be reimbursed by the State.

Provide a single, fee quote for handling individual Real Estate Certificate issues, Equipment Certificate issues, and Combined issuances, based on the scope of services described in this REQUEST. Fee quotes should be expressed as dollars (not dollars per \$1,000 of issue par value). Provide a single, hourly rate for the provision of on-going legal services. Reasonable out-of-pocket expenses will be reimbursed by the State.²

Provide a single, fee quote for disclosure services for individual Bond issues and Certificate issues based on the scope of services described in this REQUEST. Fee quotes should be expressed as dollars (not dollars per \$1,000 of issue par value). Provide a single, hourly rate for the provision of on-going legal disclosure services described in this REQUEST. Reasonable out-of-pocket expenses will be reimbursed by the State.

² For example:

- Equipment Only - \$_____.
- State Real Estate or Local Real Estate Only - \$_____.
- State and Local Real Estate Combined - \$_____.
- Local Agency Real Estate pooled with Equipment - \$_____.
- State Agency Real Estate pooled with Equipment - \$_____.
- State and Local Agency Real Estate Pooled with Equipment - \$_____.

ATTACHMENT B

BACKGROUND INFORMATION ON STATE'S DEBT ISSUANCE PROGRAMS

I. Bond Program

The Washington State Office of the State Treasurer (“OST”) is responsible for determining the current available debt capacity of the State and providing for the issuance of state debt at the lowest possible cost and risk. All state debt is authorized by the Legislature and issued by the State Finance Committee under the authority granted by the Legislature.

At present, the State issues general obligation bonds with two revenue pledges: (1) various purpose general obligation bonds backed by the full faith, credit, and taxing power of the State and (2) motor vehicle fuel tax general obligation bonds first payable from the proceeds of state excise taxes on motor vehicle fuels. As of May 2009, debt outstanding totaled approximately \$9.85 billion various purpose general obligation bonds and \$4.30 billion motor vehicle fuel tax general obligation bonds. Bonds are typically issued as long-term fixed-rate obligations with level debt service. Current ratings are “Aa1” with a stable outlook from Moody’s, “AA+” with a stable outlook from S&P, and “AA” with a stable outlook from Fitch. A small series of variable rate debt is outstanding which is rated “Aa1/VMIG 1” by Moodys, “AA/F1+” by Fitch, and “AA+” by Standard and Poors.

Over the near term, the State expects to sell general obligation bonds on a quarterly basis, although it may return to its previous semi-annual schedule if market conditions permit. Issuance size reflects state agency capital project plans and construction schedules. Bonds are generally sold on a competitive basis, although negotiated sales will be considered. OST is currently exploring widening its investor base – reaching out to retail investors through its website and marketing to taxable institutional investors through the Build America Bond program.

II. Lease/Purchase Program

The State’s Lease/Purchase Program provides for the financing of equipment and real estate to be used by the state and its agencies through the competitive sale of certificates of participation (COPs) in master financing contracts. As of May 31, 2009, \$666 million state certificates of participation/ financing contracts were outstanding. The COPs are currently rated “Aa2” with a stable outlook by Moody’s.

COPs are typically issued as fixed-rate obligations with level debt service. The financing term for equipment financing are matched to the useful life for the equipment. Real estate financings typically have 20-25-year terms. Issuance of equipment COPs currently follows a quarterly schedule, while real estate COPs are timed in relation to agency borrowing requests.

Since 1998, local governments have had the option of participating in the Lease Purchase Program through the Local Capital Asset Lending Program (LOCAL) in which local governments enter into financing contracts with the State for the acquisition of real and personal property. Local government payments received by the State are used to make payments on master financing contracts of the State. As of May 31, 2009, \$83 million COPs were outstanding under this program.

Financings for the state agencies and the LOCAL program can be pooled together in any combination of local real estate, state real estate, local equipment, and state equipment, although equipment and real estate are generally financed separately.

ATTACHMENT C

**APPOINTMENT AS SPECIAL ASSISTANT ATTORNEY GENERAL
TERMS AND CONDITIONS**

PROPOSED DRAFT AGREEMENT FOR PRIMARY BOND COUNSEL

REASON FOR APPOINTMENT:

The Washington State Treasurer’s Office (the “Agency”) has requested the appointment of a Special Assistant Attorney General to assist the Agency by providing services as bond counsel for the sale of State of Washington bonds and by providing advice on various financial issues for the Agency and the State Finance Committee. The Washington State Attorney General’s Office concurs with this request.

Based upon a competitive selection process, _____ firm and the other individual attorneys identified below (the “Special Assistant”) have been selected for this assignment.

The Washington State Attorney General’s Office (the “Office”), 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98504-0108; the Washington State Treasurer’s Office, 416 Sid Snyder Avenue SW, Room 230, PO Box 40200, Olympia, Washington 98504-0200; and _____ (Special Assistant) HEREBY AGREE to the following terms and conditions regarding this appointment as Special Assistant Attorney General:

1. SERVICES PROVIDED

The Special Assistant, acting on behalf of _____, will provide services as primary bond counsel for the sale of State of Washington bonds. The services provided in connection with Bond issues will consist of those services specified in Attachment A, Scope of Services to be Provided, in the Office’s Request for Proposals for bond counsel, which are incorporated by reference and attached hereto. The Special Assistant appointed as bond counsel may also be called upon to provide certain on-going legal services to the State’s Bond Program as requested from time to time. All tasks should be coordinated with Johnna S. Craig, Assistant Attorney General of the Attorney General’s Office and General Counsel for the Office of the State Treasurer. The Special Assistant understands and acknowledges that this appointment is not an exclusive appointment and that the Agency and the Office have sole discretion to decide whether or not the Special Assistant will be asked to provide assistance on any particular offering or legal issue.

2. COMPENSATION AND PAYMENT

A. Amount of Compensation. Compensation for bond counsel services on individual bond issues will be \$_____ for each bond issue. For on-going legal services, a blended hourly rate of \$_____ will be billed for work performed by an attorney and a rate of \$_____ will be billed for work performed by a legal assistant. The

individuals listed below will perform work as Special Assistant Attorneys General under the terms of this Agreement.

Maximum compensation for services will be as described above. This is based on the estimated amount of legal services necessary. Reimbursement for reasonable out-of-pocket costs for items such as long-distance telephone charges, local travel expenses (mileage), copying expenses, and charges for preparation of CD-ROM transcripts of proceedings will be in addition to this Agreement maximum but shall not exceed an aggregate amount of \$1,000 for each bond or COP issue.

B. Payment. Invoices for legal services provided should be sent directly to the Attorney General’s Office for review and approval, to the attention of Johnna S. Craig, Assistant Attorney General, 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98504-0108, phone (360) 586-3457, facsimile (360) 586-3593. The Special Assistant is responsible for providing a detailed invoice identifying work performed, attorney assigned, date accomplished, hours/dollars to be charged, and any additional information requested in order to complete payment.

Payment shall be considered timely if made within 30 days after receipt of the properly completed invoice. Invoices sent for payment must include the Special Assistant’s Federal I.D. Tax Number (or Social Security Number) or the invoice will be returned to the Special Assistant for inclusion of that information. Payment will be made by the Washington State Treasurer’s Office.

C. Advance Payment Prohibited. No payment in advance or in anticipation of services or supplies under this Agreement shall be made by the Office.

3. TERM

The term of this Agreement shall extend from February 20, 2010, through February 19, 2012. The Office has the option of extending this Agreement. The maximum length of this Agreement, including extensions, is four years which would be through February 19, 2014. Either party may terminate this Agreement upon two weeks’ written notification. It is agreed that the Special Assistant will be compensated for services provided through the date of notification of termination at the hourly rate noted above, subject to the maximum agreement limit. Compensation for any services provided after notification of termination shall be pursuant to agreement of the parties.

4. APPLICABLE LAW AND VENUE

This appointment as Special Assistant Attorney General and this Agreement shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Agreement, venue shall be proper only in Thurston County Superior Court. The Special Assistant, by execution of this Agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

5. INDEPENDENT CAPACITY OF THE SPECIAL ASSISTANT

The Special Assistant and its employees or agents performing under this Agreement are not employees or agents of the Office of the Attorney General or the Office of the State Treasurer. The Special Assistant will neither hold itself out as, nor claim to be, an officer or employee of the State of Washington by reason of this Agreement, nor will it make any claim of right, privilege, or benefit which would accrue to a civil service employee under RCW 41.06.

The designation "Special Assistant Attorney General" may be used in correspondence or pleadings related to this matter, but no reference will be made to the appointee or his/her firm as representing any other agency or department of the State as a result of this appointment.

6. CONFLICT OF INTEREST

A. This appointment will be terminated if there is or has been a violation of the Ethics in Public Service Act during the performance of this appointment.

B. The parties recognize that _____ firm may be asked to represent clients in cases or on matters adverse to the State of Washington. The Special Assistant shall promptly notify the Attorney General's Office when it is personally participating in cases or matters potentially adverse to the State of Washington by advising Senior Assistant Attorney General Bryce E. Brown, 7141 Cleanwater Drive SW, PO Box 40113, Olympia, Washington 98504-0113, phone (360) 753-4962, facsimile (360) 586-6847, with a copy provided to Assistant Attorney General Johnna S. Craig, detailing the nature of the potentially adverse matter. For purposes of this appointment, the clients are the Washington State Treasurer's Office and the Washington State Finance Committee.

The Attorney General's Office may object to representation of clients adverse to the State of Washington in cases or matters which are unrelated to the services provided under this Agreement. The Special Assistant, however, agrees not to represent clients in any matter involving the Office of the State Treasurer or the State Finance Committee. The Special Assistant shall decline to undertake specific tasks under this Agreement if a conflict of representation exists with respect to the specific task.

7. TREATMENT OF ASSETS

- A.** Title to all property or materials furnished by the Agency shall remain vested in the Agency. Any property of the Agency furnished to the Special Assistant shall, unless otherwise provided in this Agreement or approved by the Agency, be used only for the performance of this Agreement.
- B.** The Special Assistant shall be responsible for any loss or damage to property, including data, of the Agency which results from the negligence of the Special Assistant, or which results from the failure on the part of the Special Assistant to maintain and administer the property in accordance with sound management practices. If any Agency property is lost, destroyed, or damaged, the Special Assistant shall immediately so notify the Agency and shall take all reasonable steps to protect the property from further damage. The Special Assistant shall surrender to the Agency all property of the Agency prior to settlement upon completion, termination, or cancellation of this Agreement.

8. CONFIDENTIALITY

The Special Assistant shall maintain as confidential all information concerning its advice and recommendations, as well as information related to the business of the Agency, its financial affairs, relations with its clientele and its employees, and any other information which may be specifically classified as confidential by the Agency in writing to the Special Assistant. To the extent consistent with Chapter 42.56 RCW (Public Records Act) the Agency shall maintain all information which the Special Assistant specifies in writing as confidential.

9. MODIFICATION TO AGREEMENT

Modifications to the conditions of this appointment, including expansion of the scope of the task or changes to the maximum compensation or reimbursement for expenses, must be approved in advance by the Attorney General's Office. Any modifications shall be reduced to writing and signed by the authorized signatures of the respective parties. The Attorney General's Office contact for this purpose is Senior Assistant Attorney General Bryce E. Brown.

OFFICE OF ATTORNEY GENERAL

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Fed. Tax I.D. No. _____
or Social Security No. _____

If present or former state employee, please provide the following information for the last two years:

Agency: _____

Position Name: _____

Termination Date: _____

Acknowledgment of Appointment and
Obligation to Reimburse for Expenses

*Are you retired from one of the Washington State Retirement Systems? ____ Yes ____ No

By: _____
Ellen Evans, Deputy State Treasurer
Washington State Treasurer's Office

If the answer is yes, please fill out the DRS Retirement Status form and attach to this contract.

ATTACHMENT A
Scope of Services to Be Provided

BOND COUNSEL

INTRODUCTION

The State of Washington (the “Issuer”) is soliciting proposals from qualified bond counsel firms for legal services for its Bond Program (the “Bond Program”). The Issuer, at its sole discretion, will determine the length of any engagement. In no event shall the length of the engagement, including any amendments, exceed four years.

Scope of Services

The firm selected as bond counsel will be expected to provide the full range of legal services required in connection with (a) the successful issuance and delivery of the bond issues (“Bonds”); (b) on-going legal services for the Bond Program; and (c) additional services as mutually agreed between the parties. The scope of services may include, but not be limited to, the following:

A. Services for Issuance and Delivery of Bonds

- 1. Render Legal Opinion(s).** The bond counsel will render the bond counsel opinion regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.
- 2. Prepare and Review Documents.** The bond counsel will prepare and review the documents necessary or appropriate to the authorization, issuance, sale, and delivery of the Bonds, and coordination of the authorization and execution of these documents – including the State Finance Committee authorizing and awarding resolutions.
- 3. Review Legal Structure of the Bonds.** The bond counsel will review all legal issues relating to the structure of the Bonds.
- 4. Prepare and Review Offering Document(s).** The bond counsel will prepare and review those sections of the offering document(s) to be disseminated in connection with the sale of the Bonds that relate to the Bonds, financing documents, bond counsel opinion, tax exemption, and the continuing disclosure undertaking of the Issuer.
- 5. Assist With Presentations.** The bond counsel will assist the Issuer in presenting information to (a) bond rating organizations; (b) investors; and, where appropriate, (c) other municipal market participants, including credit enhancement providers, relating to legal issues affecting the issuance of the Bonds.

6. **Participate in Meetings.** The bond counsel will participate in meetings, as requested, relating to legal issues affecting the issuance of the Bonds, including, but not limited to: State Finance Committee meetings; due diligence meetings; and bond sales.
7. **Review or Prepare Contracts.** The bond counsel will review or prepare all contracts, as necessary, including: (a) bond purchase contracts; and, if any, (b) liquidity facility agreements and investment and trust agreements relating to legal issues affecting the issuance/defeasance of the Bonds; and (c) other contracts as necessary and related to the Issuer's business.
8. **Review Other Documents.** The bond counsel will review, as necessary, other documents relating to legal issues affecting the issuance of the Bonds.
9. **Prepare Official Transcript.** The bond counsel will prepare bound official records of the proceedings of the financing, including all documentation relating to the authorization, offering, sale, and delivery of the issue, as well as an electronic version of the transcripts on CD-ROM.
10. **Assist in Other Legal Matters.** The bond counsel will assist the Issuer with any other legal matters relating to issuance of the Bonds that may be identified during a transaction, including investment of proceeds and reserves and compliance with federal arbitrage regulations.

B. On-Going Legal Services for the Bond Program

1. **Tax Advice.** The bond counsel will provide continuing advice regarding any actions necessary to ensure that interest will continue to be tax-exempt.
2. **Drafting Legislation.** The bond counsel will review or prepare legislation on issues relating to the Bond Program.
3. **Regulatory Efforts.** The bond counsel will track and inform the Issuer of proposed efforts and rulings issued by federal regulatory agencies including, but not limited to, IRS, SEC, and MSRB, that may impact the issuance of Bonds and/or the administration of the Bond Program.
4. **Selective Redemption Program.**¹ The bond counsel will review the defeasance proceedings (such as the acquisition of escrow securities and the verification of cash flows) and write a defeasance opinion for annual redemption under the program.

¹ Adjustable Rate General Obligation Bonds, Series VR-96A and B, dated February 29, 1996, provided for the option to defease or redeem a like amount of fixed rate bonds as an alternative to making scheduled annual payments in such amount on variable rate bonds to substitute the payment of high cost debt for lower cost variable rate debt. This "selective redemption" was authorized by Resolution No. 835 of the State Finance Committee.

5. **School Bond Guarantee Program.** The bond counsel will provide on-going legal advice and support regarding compliance and risk matters associated with Bonds insured by this program.
6. **Request for Proposals.** The bond counsel will assist with the preparation and evaluation of RFPs for financial services relating to legal issues affecting the issuance of Bonds.

C. Additional Services

The firm selected as bond counsel for the proposed issue may be asked to provide additional services relating to legal issues affecting the business of the State Finance Committee and/or the Office of the State Treasurer.

ATTACHMENT D

**APPOINTMENT AS SPECIAL ASSISTANT ATTORNEY GENERAL
TERMS AND CONDITIONS**

PROPOSED DRAFT AGREEMENT FOR CERTIFICATE COUNSEL

REASON FOR APPOINTMENT:

The Washington State Treasurer’s Office (the “Agency”) has requested the appointment of a Special Assistant Attorney General to assist the Agency by providing services as certificate counsel for the sale of certificates of participation and by providing advice on various financial issues for the Agency and the State Finance Committee. The Washington State Attorney General’s Office concurs with this request.

Based upon a competitive selection process, _____ firm and the other individual attorneys identified below (the “Special Assistant”) have been selected for this assignment as certificate counsel and alternate bond counsel.

The Washington State Attorney General’s Office (the “Office”), 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98594-0108; the Washington State Treasurer’s Office, 416 Sid Snyder Avenue SW, Room 230, PO Box 40200, Olympia, Washington 98504-0200; and _____ (Special Assistant) HEREBY AGREE to the following terms and conditions regarding this appointment as Special Assistant Attorney General:

1. SERVICES PROVIDED

The Special Assistant, acting on behalf of _____, will provide services as certificate counsel for the sale of State of Washington certificates of participation (“COPs”). The services provided in connection with COP issues will consist of those services specified in Attachment A, Scope of Services to Be Provided, in the Office’s Request for Proposals for certificate counsel, which are incorporated by reference and attached hereto. The Special Assistant appointed as certificate counsel may also be called upon to provide certain on-going legal services to the State’s Bond Program as requested from time to time. All tasks should be coordinated with Johnna S. Craig, Assistant Attorney General of the Attorney General’s Office and General Counsel to the Office of the State Treasurer. The Special Assistant understands and acknowledges that this appointment is not an exclusive appointment and that the Agency and the Office have sole discretion to decide whether or not the Special Assistant will be asked to provide assistance on any particular offering or legal issue.

2. COMPENSATION AND PAYMENT

- A. Amount of Compensation.** Compensation will be \$_____ for the equipment portion of the quarterly pooled COPs, with an additional \$_____ for each real estate contract, up to a maximum of \$_____ for any combination of equipment

and real estate pooled COP offering. Compensation for real estate only COP offerings will be \$_____ for the first two real estate contracts and an additional \$_____ for each additional real estate contract after the first two with a maximum of \$_____ for any combination of pooled real estate contracts in a COP offering. If bond counsel services are needed, compensation for bond counsel services on individual bond issues will be \$_____ for each bond issue. For on-going legal services, a blended hourly rate of \$_____ will be billed for work performed by an attorney and \$_____ will be billed for work performed by a legal assistant. The individuals listed below will perform work as Special Assistant Attorney Generals under the terms of this Agreement.

Maximum compensation for services will be as described above for the different types of offerings. This is based on the estimated amount of legal services necessary. Reimbursement for reasonable out-of-pocket costs for items such as long-distance telephone charges, local travel expenses (mileage), copying expenses, and charges for preparation of CD-ROM transcripts of proceedings, will be in addition to this Agreement maximum but shall not to exceed an aggregate amount of \$1,000 for each bond or COP issue.

B. Payment. Invoices for legal services provided should be sent directly to the Attorney General’s Office for review and approval, to the attention of Johnna S. Craig, Assistant Attorney General, 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98504-0108, phone (360) 586-3457, facsimile (360) 586-3593. The Special Assistant is responsible for providing a detailed invoice identifying work performed, attorney assigned, date accomplished, hours/dollars to be charged, and any additional information requested in order to complete payment.

Payment shall be considered timely if made within 30 days after receipt of this properly completed invoice. Invoices sent for payment must include the Special Assistant’s Federal I.D. Tax Number (or Social Security Number) or the invoice will be returned to the Special Assistant for inclusion of that information. Payment will be made by the Washington State Treasurer’s Office.

C. Advance Payment Prohibited. No payment in advance or in anticipation of services or supplies under this Agreement shall be made by the Office.

3. TERM

The term of this Agreement shall extend from February 20, 2010, through February 19, 2012. The Office has the option of extending this Agreement. The maximum length of this Agreement, including extensions, is four years which would be through February 19, 2014. Either party may terminate this Agreement upon two weeks' written notification. It is agreed that the Special Assistant will be compensated for services provided through the date of notification of termination at the hourly rate noted above, subject to the maximum agreement limit. Compensation for any services provided after notification of termination shall be pursuant to agreement of the parties.

4. APPLICABLE LAW AND VENUE

This appointment as Special Assistant Attorney General and this Agreement shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Agreement, venue shall be proper only in Thurston County Superior Court. The Special Assistant, by execution of this Agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

5. INDEPENDENT CAPACITY OF THE SPECIAL ASSISTANT

The Special Assistant and its employees or agents performing under this Agreement are not employees or agents of the Office of the Attorney General or the Office of the State Treasurer. The Special Assistant will neither hold itself out as, nor claim to be, an officer or employee of the State of Washington by reason of this Agreement, nor will it make any claim of right, privilege, or benefit which would accrue to a civil service employee under RCW 41.06.

The designation "Special Assistant Attorney General" may be used in correspondence or pleadings related to this matter, but no reference will be made to the appointee or his/her firm as representing any other agency or department of the State as a result of this appointment.

6. CONFLICT OF INTEREST

- A.** This appointment will be terminated if there is or has been a violation of the Ethics in Public Service Act during the performance of this appointment.

- B.** The parties recognize that _____ firm may be asked to represent clients in cases or on matters adverse to the State of Washington. The Special Assistant shall promptly notify the Attorney General's Office when it is personally participating in cases or matters potentially adverse to the State of Washington by advising Senior Assistant Attorney General Bryce E. Brown, 7141 Cleanwater Drive SW, PO Box 40113, Olympia, Washington 98504-0113, phone (360) 753-4962, facsimile (360) 586-6847, with a copy provided to Assistant Attorney General Johnna S. Craig, detailing the nature of the potentially adverse matter. For purposes of this appointment, the clients are the Washington State Treasurer's Office and the Washington State Finance Committee.

The Attorney General's Office may object to representation of clients adverse to the State of Washington in cases or matters which are unrelated to the services provided under this agreement. The Special Assistant, however, agrees not to represent clients in any matter involving the Office of the State Treasurer or the State Finance Committee. The Special Assistant shall decline to undertake specific tasks under this Agreement if a conflict of representation exists with respect to the specific task.

7. TREATMENT OF ASSETS

- A.** Title to all property or materials furnished by the Agency shall remain vested in the Agency. Any property of the Agency furnished to the Special Assistant shall, unless otherwise provided in this Agreement or approved by the Agency, be used only for the performance of this Agreement.
- B.** The Special Assistant shall be responsible for any loss or damage to property, including data, of the Agency which results from the negligence of the Special Assistant, or which results from the failure on the part of the Special Assistant to maintain and administer the property in accordance with sound management practices. If any Agency property is lost, destroyed, or damaged, the Special Assistant shall immediately so notify the Agency and shall take all reasonable steps to protect the property from further damage. The Special Assistant shall surrender to the Agency all property of the Agency prior to settlement upon completion, termination, or cancellation of this Agreement.

8. CONFIDENTIALITY

The Special Assistant shall maintain as confidential all information concerning its advice and recommendations, as well as information related to the business of the Agency, its financial affairs, relations with its clientele and its employees, and any other information which may be specifically classified as confidential by the Agency in writing to the Special Assistant. To the extent consistent with Chapter 42.56 RCW (Public Records Act), the Agency shall maintain all information which the Special Assistant specifies in writing as confidential.

9. MODIFICATION TO AGREEMENT

Modifications to the conditions of this appointment, including expansion of the scope of the task or changes to the maximum compensation or reimbursement for expenses, must be approved in advance by the Attorney General's Office. Any modifications shall be reduced to writing and signed by the authorized signatures of the respective parties. The Attorney General's Office contact for this purpose is Senior Assistant Attorney General Bryce E. Brown.

OFFICE OF ATTORNEY GENERAL

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Fed. Tax I.D. No. _____
or Social Security No. _____

If present or former state employee, please provide the following information for the last two years:

Agency: _____

Position Name: _____

Termination Date: _____

Acknowledgment of Appointment and
Obligation to Reimburse for Expenses

*Are you retired from one of the Washington State Retirement Systems? ____ Yes ____ No

By: _____

Ellen Evans, Deputy State Treasurer
Washington State Treasurer's Office

If the answer is yes, please fill out the DRS Retirement Status form and attach to this contract.

ATTACHMENT A
Scope of Services to Be Provided

CERTIFICATE COUNSEL

INTRODUCTION

The State of Washington (the “Issuer”) is soliciting proposals from qualified bond counsel firms for legal services for its Lease/Purchase Program (the “Lease/Purchase Program”). The Issuer, at its sole discretion, will determine the length of any engagement. In no event shall the length of the engagement, including any amendments, exceed four years.

Scope of Services

The firm selected as certificate counsel will be expected to provide a full range of legal services required in connection with (a) the successful issuance and delivery of certificates of participation (the “COPs”), both individual COPs and Pooled COPs, (b) on-going legal services for the Lease/Purchase Program, and (c) additional services as mutually agreed between the parties. The scope of services may include, but not be limited to, the following:

A. Services for Issuance and Delivery of COPs

- 1. Render Legal Opinion(s).** The certificate counsel will render the certificate counsel opinions regarding the validity and binding effect of the COPs, the source of payment and security for the COPs, and the excludability of interest on the COPs from gross income for federal income tax purposes.
- 2. Prepare and Review Documents.** The certificate counsel will prepare and review the documents necessary or appropriate to the authorization, issuance, sale, and delivery of the COPs, and coordination of the authorization and execution of these documents – including the State Finance Committee authorizing and awarding resolutions, if any.
- 3. Review Legal Structure of the COP Issues.** The Certificate Counsel will review all legal issues relating to the structure of the COP issues.
- 4. Assist with Presentations.** The certificate counsel will assist the Issuer in presenting information to: (a) COP rating organizations; (b) investors; and, where appropriate, (c) other municipal market participants, including credit enhancement providers, relating to legal issues affecting the issuance of the COPs.
- 5. Participate in Meetings.** The certificate counsel will participate in meetings, as requested, relating to legal issues affecting the participating agency leases and the issuance of the COPs, including, but not limited to: State Finance Committee meetings, due diligence meetings, and sales of COPs.

6. **Review or Prepare Contracts.** The certificate counsel will review and/or prepare all contracts, as necessary, including: (a) financing lease/agreements; (b) financing lease/agreement addenda; (c) COP purchase contracts; and, if any, (d) liquidity facility agreements and investment and trust agreements relating to legal issues affecting the issuance/defeasance of the COPs.
7. **Review Other Documents.** The certificate counsel will review, as necessary, other documents relating to legal issues affecting the issuance of the COPs.
8. **Prepare Official Transcripts.** The certificate counsel will prepare bound official records of the proceedings of the financing, including all documentation relating to the authorization, offering, sale, and delivery of the issues, as well as an electronic version of the transcripts on CD-ROM.
9. **Assist in Other Legal Matters.** The certificate counsel will assist the Issuer with any other legal matters relating to the COP financings that may be identified during the transactions, including investment of proceeds and reserves and compliance with federal arbitrage regulations.

B. On-Going Legal Services for the Lease/Purchase Program

1. **Tax Advice.** The certificate counsel will provide continuing advice regarding any actions necessary to ensure that interest will continue to be tax-exempt.
2. **Prepare and Review Documents.** The certificate counsel will prepare and review the documents necessary or appropriate to the operations of the Lease/Purchase Program including, but not limited to: master financing agreement between the state and local government participants, universal financing documents linked to the master agreement, and form of ordinance or resolution to be approved by the local government governing body for program participation.
3. **Assist With Advisory Group.** The certificate counsel will assist the Issuer and participate in local advisory groups relating to legal issues affecting the Lease/Purchase Program.
4. **Drafting of Legislation.** The certificate counsel will review or prepare legislation on issues relating to the Lease/Purchase Program.
5. **Regulatory Efforts.** The certificate counsel will track and inform the Issuer of proposed efforts and rulings issued by federal regulatory agencies including, but not limited to, IRS, SEC, and MSRB, that may impact the issuance of COPs and/or the administration of the Lease/Purchase Program.
6. **On-Going Questions.** The certificate counsel will advise the Issuer concerning whether prospective participants and the property to be financed fit within the COP program.

C. Additional Services

The firm selected as certificate counsel for the Lease/Purchase Program may be asked to provide additional services relating to legal issues affecting the COPs.

ATTACHMENT E

**APPOINTMENT AS SPECIAL ASSISTANT ATTORNEY GENERAL
TERMS AND CONDITIONS**

PROPOSED DRAFT AGREEMENT FOR PRIMARY DISCLOSURE COUNSEL

REASON FOR APPOINTMENT:

The Washington State Treasurer's Office (the "Agency") has requested the appointment of a Special Assistant Attorney General to assist the Agency by providing services as disclosure counsel for the sale of State of Washington bonds and Certificates of Participation ("COPs") and by providing advice on various financial issues for the Agency and the State Finance Committee. The Washington State Attorney General's Office concurs with this request.

Based upon a competitive selection process, _____ firm and the other individual attorneys identified below (the "Special Assistant") have been selected for this assignment.

The Washington State Attorney General's Office (the "Office"), 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98504-0108; Washington State Treasurer's Office, 416 Sid Snyder Avenue SW, Room 230, PO Box 40200, Olympia, Washington 98504-0200; and _____ (Special Assistant) HEREBY AGREE to the following terms and conditions regarding this appointment as Special Assistant Attorney General:

1. SERVICES PROVIDED

The Special Assistant, acting on behalf of _____, will provide services as primary disclosure counsel for the sale of State of Washington bonds and COPs. The services provided in connection with COP and bond issues will consist of those services specified in Attachment A, "Scope of Services to be Provided," in the Office's Request for Proposals for disclosure counsel, which are incorporated by reference and attached hereto. The Special Assistant appointed as bond counsel may also be called upon to provide certain on-going legal services as requested from time to time. All tasks should be coordinated with Johnna S. Craig, Assistant Attorney General of the Attorney General's Office. The Special Assistant understands and acknowledges that this appointment is not an exclusive appointment and that the Agency and the Office have sole discretion to decide whether or not the Special Assistant will be asked to provide assistance on any particular offering or legal issue.

2. COMPENSATION AND PAYMENT

- A. Amount of Compensation.** Compensation for disclosure counsel services on individual issues will be \$_____ for each issue. For on-going legal services, a blended hourly rate of \$_____ will be billed for work performed by an attorney and an hourly rate of \$_____ will be billed for work performed by a legal assistant

or paralegal. The individuals listed below will perform work as Special Assistant Attorneys General under the terms of this Agreement.

Maximum compensation for services will be as described above for the different types of offerings. This is based on the estimated amount of legal services necessary. Reimbursement for reasonable out-of-pocket costs for items such as long-distance telephone charges, local travel expenses (mileage), copying expenses, and charges for preparation of CD-ROM transcripts of proceedings, will be in addition to this Agreement maximum but shall not to exceed an aggregate amount of \$1,000 for each Bond or COP issue.

B. Payment. Invoices for legal services provided should be sent directly to the Attorney General's Office for review and approval, to the attention of Johnna S. Craig, Assistant Attorney General, 7141 Cleanwater Drive SW, PO Box 40108, Olympia, Washington 98504-0108, phone (360) 586-3457, facsimile (360) 586-3593. The Special Assistant is responsible for providing a detailed invoice identifying work performed, attorney assigned, date accomplished, hours/dollars to be charged, and any additional information requested in order to complete payment.

Payment shall be considered timely if made within 30 days after receipt of the properly completed invoice. Invoices sent for payment must include the Special Assistant's Federal I.D. Tax Number (or Social Security Number) or the invoice will be returned to the Special Assistant for inclusion of that information. Payment will be made by the Washington State Treasurer's Office.

C. Advance Payment Prohibited. No payment in advance or in anticipation of services or supplies under this Agreement shall be made by the Office.

3. TERM

The term of this Agreement shall extend from February 20, 2010, through February 19, 2012. The Office has the option of extending this Agreement. The maximum length of this Agreement, including extensions, is four years which would be until February 19, 2014. Either party may terminate this Agreement upon two weeks' written notification. It is agreed that the Special Assistant will be compensated for services provided through the date of notification of termination at the hourly rate noted above, subject to the maximum agreement limit. Compensation for any services provided after notification of termination shall be pursuant to agreement of the parties.

4. APPLICABLE LAW AND VENUE

This appointment as Special Assistant Attorney General and this Agreement shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Agreement, venue shall be proper only in Thurston County Superior Court. The Special Assistant, by execution of this Agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

5. INDEPENDENT CAPACITY OF THE SPECIAL ASSISTANT

The Special Assistant and its employees or agents performing under this Agreement are not employees or agents of the Office of the Attorney General or the Office of the State Treasurer. The Special Assistant will neither hold itself out as, nor claim to be, an officer or employee of the State of Washington by reason of this Agreement, nor will it make any claim of right, privilege, or benefit which would accrue to a civil service employee under RCW 41.06.

The designation "Special Assistant Attorney General" may be used in correspondence or pleadings related to this matter, but no reference will be made to the appointee or his/her firm as representing any other agency or department of the State as a result of this appointment.

6. CONFLICT OF INTEREST

A. This appointment will be terminated if there is or has been a violation of the Ethics in Public Service Act during the performance of this appointment.

B. The parties recognize that _____ firm may be asked to represent clients in cases or on matters adverse to the State of Washington. The Special Assistant shall promptly notify the Attorney General's Office when it is personally participating in cases or matters potentially adverse to the State of Washington by advising Senior Assistant Attorney General Bryce E. Brown, 7141 Cleanwater Drive SW, PO Box 40113, Olympia, Washington 98504-0113, phone (360) 753-4962, facsimile (360) 586-6847, with a copy provided to Assistant Attorney General Johnna S. Craig, detailing the nature of the potentially adverse matter. For purposes of this appointment, the clients are the Washington State Treasurer's Office and the Washington State Finance Committee.

The Attorney General's Office may object to representation of clients adverse to the State of Washington in cases or matters which are unrelated to the services provided under this Agreement. The Special Assistant, however, agrees not to represent clients in any matter involving the Office of the State Treasurer or the State Finance Committee. The Special Assistant shall decline to undertake specific tasks under this Agreement if a conflict of representation exists with respect to the specific task.

7. TREATMENT OF ASSETS

- A.** Title to all property or materials furnished by the Agency shall remain vested in the Agency. Any property of the Agency furnished to the Special Assistant shall, unless otherwise provided in this Agreement or approved by the Agency, be used only for the performance of this Agreement.
- B.** The Special Assistant shall be responsible for any loss or damage to property, including data, of the Agency which results from the negligence of the Special Assistant, or which results from the failure on the part of the Special Assistant to maintain and administer the property in accordance with sound management practices. If any Agency property is lost, destroyed, or damaged, the Special Assistant shall immediately so notify the Agency and shall take all reasonable steps to protect the property from further damage. The Special Assistant shall surrender to the Agency all property of the Agency prior to settlement upon completion, termination, or cancellation of this Agreement.

8. CONFIDENTIALITY

The Special Assistant shall maintain as confidential all information concerning its advice and recommendations, as well as information related to the business of the Agency, its financial affairs, relations with its clientele and its employees, and any other information which may be specifically classified as confidential by the Agency in writing to the Special Assistant. To the extent consistent with Chapter 42.56 RCW (Public Records Act), the Agency shall maintain all information which the Special Assistant specifies in writing as confidential.

9. MODIFICATION TO AGREEMENT

Modifications to the conditions of this appointment, including expansion of the scope of the task or changes to the maximum compensation or reimbursement for expenses, must be approved in advance by the Attorney General's Office. Any modifications shall be reduced to writing and signed by the authorized signatures of the respective parties. The Attorney General's Office contact for this purpose is Senior Assistant Attorney General Bryce E. Brown.

OFFICE OF ATTORNEY GENERAL

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Fed. Tax I.D. No. _____
or Social Security No. _____

If present or former state employee, please provide the following information for the last two years:

Agency: _____

Position Name: _____

Termination Date: _____

Acknowledgment of Appointment and
Obligation to Reimburse for Expenses

*Are you retired from one of the Washington State Retirement Systems? ____ Yes ____ No

By: _____
Ellen Evans, Deputy State Treasurer
Washington State Treasurer's Office

If the answer is yes, please fill out the DRS Retirement Status form and attach to this contract.

ATTACHMENT A
Scope of Services to Be Provided

DISCLOSURE COUNSEL

INTRODUCTION

The State of Washington (the “Issuer”) is soliciting proposals from qualified bond counsel firms for disclosure counsel services for its Bond Program and its Lease/Purchase Program (collectively “Programs”). The Issuer, at its sole discretion, will determine the length of any engagement. In no event shall the length of the engagement, including any amendments, exceed four years.

Scope of Services

The firm selected as disclosure counsel will be expected to provide the full range of services customarily and usually performed by disclosure counsel in connection with (a) the successful issuance and delivery of the bond issues (“Bonds”) and certificates of participation (“COPs”); (b) on-going legal services for the Programs; and (c) additional services as mutually agreed between the parties. The scope of services may include, but not be limited to, the following:

A. Services for Issuance and Delivery of Bonds and COPs

- 1. Prepare Offering Document(s).** The disclosure counsel will prepare and maintain, on an on-going basis, the preliminary and official statements (“Offering Documents”) to be disseminated in connection with the sale of Bonds and COPs. The disclosure counsel will work with the Issuer, other state agencies, and the Issuer’s bond counsel and financial advisor(s) in preparing and maintaining the Offering Documents.
- 2. Render “10b-5” Opinion.** The disclosure counsel will render a “10b-5” opinion, upon request, regarding the accuracy and completeness of the official statement.
- 3. Assist With Presentations.** The disclosure counsel will assist the Issuer in presenting information to (a) bond rating organizations; (b) investors; and, where appropriate, (c) other municipal market participants relating to issues affecting disclosure.
- 4. Participate in Meetings.** The disclosure counsel will participate in meetings, as requested, relating to issues affecting disclosure, including, but not limited to:
 - a. State Finance Committee meetings;
 - b. Due diligence meetings; and
 - c. Sale of bonds.

5. **Review or Prepare Documents.** The disclosure counsel will prepare and review, as necessary, other documents relating to disclosure necessary or appropriate to the authorization, issuance, sale, or delivery of Bonds and COPs.
6. **Assist in Other Disclosure Matters.** The disclosure counsel will assist the Issuer with any other matters relating to disclosure that may be identified during a transaction, including, but not limited to:
 - a. Conducting all necessary due diligence activities; and
 - b. Responding to disclosure-related inquiries.

B. On-Going Disclosure Services for the Programs

1. **Disclosure Advice.** The disclosure counsel will provide continuing advice regarding any issues affecting disclosure.
2. **Regulatory Efforts.** The disclosure counsel will track and inform the Issuer of proposed efforts and rulings issued by federal regulatory agencies, including, but not limited to, SEC, MSRB, and IRS, that may impact disclosure.
3. **Continuing Disclosure.** The disclosure counsel will advise the Issuer in planning for the continuing disclosure efforts and in preparing continuing disclosure documents.
4. **Internet Disclosure.** The disclosure counsel will advise the Issuer regarding the Office of the State Treasurer's web site (<http://www.tre.wa.gov/>) relating to issues affecting disclosure.

C. Additional Services

The firm selected as disclosure counsel for the Programs may be asked to provide additional services relating to disclosure.