

**STATE FINANCE COMMITTEE  
STATE OF WASHINGTON**

**AGREEMENT  
FOR  
FISCAL AGENCY SERVICES**

July 1, 2023

Mike Pellicciotti  
State Treasurer  
Chair, State Finance Committee

**STATE OF WASHINGTON  
STATE FINANCE COMMITTEE**

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STATE OF WASHINGTON  
STATE FINANCE COMMITTEE  
P.O. BOX 40200  
OLYMPIA, WASHINGTON 98504-0200

**AGREEMENT FOR  
FISCAL AGENCY SERVICES**

TERMS AND CONDITIONS

**1. INTRODUCTION**

This Agreement is entered into as of December 21, 2022, to become effective July 1, 2023, by and between the State Finance Committee, as agent of the state of Washington (the "State"), and U.S. Bank Trust Company, National Association, (the "Fiscal Agent").

WHEREAS the State issued a Request for Proposals ("RFP") dated June 17, 2022, for the purpose of obtaining proposals for Fiscal Agency Services; and

WHEREAS U.S. Bank Trust Company, National Association is the successful bidder;

The State, acting by and through the State Finance Committee, hereby awards this Agreement for Fiscal Agency Services to U.S. Bank Trust Company, National Association, subject to and in accordance with the terms set forth herein. This Agreement consists of the *Terms and Conditions, Exhibit A — Scope of Services, Exhibit B — Schedule of Fees*, and any subsequently adopted amendments, which by this reference are incorporated herein. This Agreement also contains *Exhibit C—Sample COP Trust Agreement Documents*. Exhibit C is attached for reference only, the terms of which do not constitute terms of this Agreement.

**2. DEFINITIONS**

Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth below:

- 2.1 "Agreement"** means this Agreement for Fiscal Agency Services between the Fiscal Agent and the State.
- 2.2 "Authorizing Documents"** means resolutions, trust indentures, ordinances, or any other legislative action authorizing the issuance of Bonds by an Issuer, and a bond purchase contract or certificate containing terms of the Bonds as applicable.
- 2.3 "Bonds"** means any agreement, which may or may not be represented by a physical instrument, including bonds, notes, anticipation notes, warrants,

financing contracts, or Certificates of Participation ("COPs"), that evidence an obligation of any Issuer or a fund thereof, where the Issuer agrees to pay a specified amount of money, with or without interest, at a designated time or times to either registered owners or bearers.

- 2.4 **"Bond Holder"** means the registered owner or beneficial owner of Bonds.
- 2.5 **"Business Day(s)"** means Monday through Friday, 8:00 AM to 5:00 PM, Pacific Time and on payment dates with automatic ACH payments, 6:00 AM to 5:00 PM, Pacific Time, except for holidays observed by the State or the Fiscal Agent.
- 2.6 **"Calendar Day(s)"** means day reckoned from midnight to midnight.
- 2.7 **"Due Care"** means the degree of care and skill demonstrated by agents acting in like capacity and in good faith.
- 2.8 **"Exhibit A"** means the Scope of Services including any addenda attached thereto.
- 2.9 **"Exhibit B"** means the Fiscal Agent's Schedule of Fees for all Services provided under this Agreement.
- 2.10 **"Exhibit C"** means the Sample COP Trust Agreement Documents in the RFP and agreed to by the Fiscal Agent in Exhibit A. The documents contained in Exhibit C may be amended from time to time.
- 2.11 **"Fiscal Agent"** is U.S. Bank Trust Company, National Association pursuant to Chapter 43.80 RCW, which has entered into this Agreement with the State. Except for purposes of Section 3.12, the term "Fiscal Agent" shall also include any subsidiary, affiliate, agent, Subcontractor, representative or employee retained by the Fiscal Agent as permitted under the terms of this Agreement.
- 2.12 **"Fiscal Agent's Account Manager"** means an employee of Fiscal Agent who is assigned as the primary contact person for purposes of the Agreement.
- 2.13 **"Issuer"** means the State, any county, city, town, special purpose district, political subdivision, municipal corporation, public authority or agency, or quasi-municipal corporation of the State, including any public corporation created by such an entity, when using the State's selected Fiscal Agent in connection with the issuance of Bonds.
- 2.14 **"Laws and Regulations"** means all applicable laws, codes, ordinances, rules, restrictions, regulations, and orders of the Federal, State, regional, or any local government, and any judicial or administrative order or decree in effect as of the commencement date of this Agreement or any time thereafter during the term of this Agreement.

- 2.15 "LOCAL Participant"** means a local government participating in the State's Certificate of Participation program as described in the Scope of Services.
- 2.16 "Permitted Investments"** means
- a) Any debt obligation issued by the U.S. government, its agencies or instrumentalities;
  - b) Certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by an agency of the Government;
  - c) Repurchase agreements when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;
  - d) Money market funds that invest solely in obligations of the United States, its agencies and instrumentalities, and having a rating by a nationally recognized rating agency at least equivalent to, or higher than, the rating of the United States Government; and
  - e) Legal investments of the State that preserve principal and meet prudent investment standards.
- 2.17 "Notice of Termination"** means a written notice provided by the State Contract Administrator terminating this Agreement.
- 2.18 "Payor"** means any governmental entity (typically a county acting as treasurer for a special district) that acts on behalf of an Issuer to make scheduled Bond payments.
- 2.19 "Prior Fiscal Agent"** means U.S. Bank National Association and any other person or entity previously appointed as fiscal agent by the State of Washington.
- 2.20 "RCW"** means the Revised Code of Washington.
- 2.21 "Services" or "Fiscal Agency Services"** means and includes all of the services to be performed by the Fiscal Agent pursuant to this Agreement, including those listed in Exhibit A.
- 2.22 "State Contract Administrator"** means the State Treasurer.

- 2.23 "State Contract Manager"** means the Deputy State Treasurer for Debt Management or his or her designee.
- 2.24 "State COP Program"** means the Certificate of Participation Program administered by the State Treasurer for the purchase of real and personal property on behalf of State agencies and LOCAL Participants.
- 2.25 "Subcontractor"** means any person or entity not in the employment of the fiscal agent, who is performing all or part of the Services under this Agreement.
- 2.26 "WAC"** means the Washington Administrative Code.
- 2.27 "Website "** means the internet-accessible information and online applications and user interfaces maintained by the Fiscal Agent for the benefit of all Issuers and Payors under this Agreement in accordance with the Scope of Services set forth in Exhibit A.
- 2.28 "Working Balances"** means all funds received by the Fiscal Agent for the payment of principal of and interest on Bonds prior to payment dates and all uncashed Bond owner checks. Working Balances include: balances held by the Fiscal Agent as of the date received until actually drawn down after Bond owner checks are presented to the Fiscal Agent for payments made by Issuers/Payors for payments in advance of the payment date; balances attributable to un-presented Bonds; collected funds held including the "float" earnings resulting from uncashed registered and bearer Bond interest checks on funds held in Fiscal Agent's accounts; amounts returned by any depository as a result of wire payment; and any earnings resulting from payment of any depository or Bond owner in clearinghouse funds.

### **3. GENERAL PROVISIONS**

#### **3.1 ENTIRE AGREEMENT**

This Agreement, which includes these Terms and Conditions, and all attachments, exhibits, except Exhibit C, and amendments thereto, constitutes the entire agreement between the Fiscal Agent and the State and no other statements or representations, written or oral, shall be deemed a part thereof. Exhibit C is attached for reference purposes only.

#### **3.2 AMENDMENTS**

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. All amendments, addenda, and

orders signed during the life of this Agreement shall be governed by this Agreement. The parties further agree that additional Services, appropriate to the scope of this Agreement, may be added to this Agreement only by an instrument in writing and with the written consent of both parties. Such writing shall include a specific description of the additional Services, pricing, and additional terms and conditions as relevant. The additional Services shall be available under the same terms and conditions established herein except as specifically amended between the parties.

### **3.3 NOTICES AND COMMUNICATIONS**

**3.3.1** Third Party Communications. The Fiscal Agent shall provide communications to Bond owners, rating agencies, the Municipal Securities Rulemaking Board, bond insurers, securities depositories, escrow agents, Payors and other entities upon request of any Issuer or Payor or as required by the Authorizing Documents.

**3.3.2** Notices Between the Parties. Any notice or demand which, under this Agreement or applicable Laws and Regulations, must or may be given by the Fiscal Agent or the State shall be in writing, properly addressed and made by the most expeditious means available, with regard given to the time sensitivity of notice or demand being made. An electronic copy of any notice or demand shall also be sent by electronic mail to the State Contract Manager or the Fiscal Agent's Account Manager.

**To the Fiscal Agent:**

U.S. Bank Trust Company,  
National Association  
Attention: Global Corporate Trust  
111 Southwest 5<sup>th</sup> Avenue  
Portland, OR 97024

**To the State:**

Office of the State Treasurer  
State of Washington  
Attention: Deputy State Treasurer  
for Debt Management  
Legislative Building, Room 230  
P.O. Box 40200  
Olympia, WA 98504-0200

### **3.4 PERSONAL LIABILITY**

It is agreed by and between the parties hereto that in no event shall any official or employee of the State or the Fiscal Agent (and including the officers or employees of any Subcontractor) be in any way personally liable or responsible for any covenant or agreement herein contained, whether expressed or implied, nor for any statement or representation made herein or in any connection with this Agreement.



### **3.5 INDEMNIFICATION**

- 3.5.1** The Fiscal Agent agrees to indemnify, defend, and hold harmless the State and all of its agencies, boards, commissions, officials, agents, employees and authorized volunteers for any claim arising out of or incident to the Fiscal Agent's negligence, fraud, or failure to exercise Due Care in the Fiscal Agent's performance or failure to perform under this Agreement.
- 3.5.2** The Fiscal Agent agrees to be responsible to any Issuer/Payor for all losses, including reasonable attorneys' fees, suffered by such Issuer/Payor which may be caused by the negligence, fraud, or failure to exercise Due Care in the Fiscal Agent's performance of its duties under this Agreement, including but not limited to all losses, including attorneys' fees, which relate to or result from claims brought by third parties.
- 3.5.3** Issuers agree to be responsible to the Fiscal Agent for losses, including reasonable attorneys' fees, suffered by the Fiscal Agent which may be caused by the default or bankruptcy of the Issuer, including but not limited to all losses, including attorneys' fees, which relate to or result from claims brought by third parties.
- 3.5.4** Nothing in this Section 3.5 shall be construed to mean that either party is prevented from commencing a legal action against the other.

### **3.6 INTERPRETATION AND SEVERABILITY**

- 3.6.1** The headings used in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions.
- 3.6.2** If any provision of this Agreement is deemed to conflict with any statute or rule of law, that provision shall be deemed modified to conform to the statute or rule of law.
- 3.6.3** In the event of any inconsistency in this Agreement, the inconsistency shall be resolved in the order of precedence stated below:

- Applicable Laws and Regulations.
- Amendments to this Agreement (in order of most recent to least recent).
- The Terms and Conditions of this Agreement.
- Exhibit A — Scope of Services.
- Exhibit B — Schedule of Fees.

**3.6.4** Any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.

**3.6.5** If the Fiscal Agent is not able to comply with the Authorizing Documents because they conflict with either this Agreement or Laws and Regulations, the Fiscal Agent will promptly notify the Issuer/Payor and the State Contract Manager.

### **3.7 WAIVER**

In the event of any breach of contract, no provision in this Agreement shall be construed, expressly or by implication, as a waiver by the State of any right to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement or by law, or as the acceptance of (or payment for) services, or to release the Fiscal Agent from any responsibilities or obligations imposed by this Agreement or by law. Acceptance by the State of breach, or of unsatisfactory or deficient performance, with or without objection or reservation, shall neither waive the right to claim damages for breach nor constitute a waiver of requirements for complete and satisfactory performance of any obligation remaining to be performed by the Fiscal Agent.

### **3.8 CERTAIN COMPLIANCE REQUIREMENTS**

**3.8.1** Minimum Requirements. At all times during the term of this Agreement, the Fiscal Agent must:

- (a) Have paid-up capital and surplus of not less than \$100,000,000;
- (b) Be a member of the Federal Reserve System and applicable automated clearing houses;
- (c) Be a Depository Trust Company participant and Fast Automated Securities Transfer agent; and
- (d) Be a corporation, authorized to execute corporate trust powers in the state of Washington and in the Fiscal Agent's state of domicile.

**3.8.2** Gifts and Gratuities. The Fiscal Agent expressly acknowledges and agrees to comply with RCW 39.26.020(2), which provides in pertinent part that it is unlawful for the Fiscal Agent to give, loan, transfer or deliver to any person something of economic value, receipt of which could cause a State or local government officer or employee to be in violation of State ethics laws applicable to state or local government officers or employees.

### **3.9 ISSUERS/PAYORS**

**3.9.1** The parties agree that all Issuers/Payors are intended third-party beneficiaries under the terms of this Agreement, but such third-party beneficiary status is limited. When an Issuer/Payor alleges the Fiscal Agent has breached the terms of this Agreement with respect to an Issuer/Payor, and the Issuer/Payor and the Fiscal Agent cannot agree to an appropriate remedy under this Agreement, the State may, at its discretion, bring a cause of action for breach on behalf of the Issuer/Payor, elect to not bring a cause of action, or allow the Issuer/Payor to bring on its own a cause of action for breach.

In no event will the Fiscal Agent be responsible for the acts or omissions of the Prior Fiscal Agent and no action may be brought against the Fiscal Agent for such acts or omissions.

**3.9.2** Any Issuer and/or Payor that utilizes the services of the Fiscal Agent pursuant to the terms of this Agreement agrees to be bound by the terms of Paragraph 3.5.3, 4.3 and 6.3. In the event a dispute arises between an Issuer and/or Payor and the Fiscal Agent in connection with this Agreement, the Fiscal Agent will notify the State Contract Manager. No independent action may be taken by the Fiscal Agent against an Issuer and/or Payor, other than the State, before ninety (90) Calendar Days after such notice has been given to the State Contract Manager indicating that the Fiscal Agent intends to take independent action; provided, however, the failure to give such notice or any deficiency in such notice shall not extinguish, diminish or otherwise prejudice any claim or cause of action the Fiscal Agent may have against an Issuer and/or Payor.

### **3.10 ACTS OR OMISSIONS OF PRIOR FISCAL AGENT**

With respect to any claim or lawsuit brought by the third party resulting from the acts or omissions of a Prior Fiscal Agent, the State agrees to cooperate with the Fiscal Agent by exercising any right the State has under the terms of any agreement for Fiscal Agency Services between the State and the Prior Fiscal Agent.

### **3.11 GOVERNING LAW AND VENUE**

This Agreement shall be governed in all respects by, and construed in accordance with, the laws of the state of Washington. The venue of any action hereunder shall be exclusively in the Superior Court for Thurston County, Washington.

### **3.12 ASSIGNMENT**

The Fiscal Agent shall not assign any of its rights or obligations under this Agreement without the prior written consent of the State Contract Administrator in his or her sole discretion. Any purported assignment without the prior written consent of the State Contract Administrator may, at the State's sole discretion, declare the assignment null and void.

### **3.13 SUBCONTRACTING**

Consistent with all other terms of this Agreement including the Services described in Exhibit A, the Fiscal Agent may subcontract for the performance of all or any part of its duties and obligations under this Agreement, provided that (a) any Subcontractor must agree to be bound to the same extent as the Fiscal Agent by all of the provisions of this Agreement and (b) the Fiscal Agent shall remain jointly and severally liable with all Subcontractors. The Fiscal Agent shall enter into such a subcontract only after receiving prior and specific written authorization from the State Contract Administrator upon at least 30 days' notice of the proposed subcontract, provided, however, that failure to obtain such advance written authorization shall not relieve either the Fiscal Agent or the Subcontractor from any of its obligations under this Agreement. In no event shall the existence of a subcontract operate to release or reduce the liability of the Fiscal Agent for any breach or deficiency in the performance of the Fiscal Agent's duties under this Agreement. The Fiscal Agent further agrees to indemnify, defend, and hold harmless the State and all Issuers/Payors, from and against acts or omissions of all Subcontractors and all Subcontractors' employees and agents in the manner set forth in Section 3.5.

### **3.14 INDEPENDENT CAPACITY**

The parties intend that an independent contractor relationship will be created by this Agreement. The Fiscal Agent and its employees and agents performing under this Agreement are not employees of the State. The Fiscal Agent will not hold itself out as nor claim to be an officer or employee of the State by reason hereof, nor will the Fiscal Agent make any claim of right, privilege or benefit which would accrue to such employee or agent under law. Conduct and control of the work will be solely with the Fiscal Agent.

## **4. FISCAL AGENCY SERVICES**

### **4.1 SERVICE SPECIFICATIONS**

The Fiscal Agent agrees to provide the Services as set forth in Exhibit A, on the terms set forth in this Agreement and any amendments hereto.

#### **4.2 NO GUARANTEE OF VOLUMES**

Since transaction volumes may be impacted by legislative changes, the discretion of the State and Payors to act as their own fiscal agent, and other factors, the State cannot guarantee transaction volumes over the life of this Agreement. The Fiscal Agent agrees that the transaction volumes that were provided in the RFP are not guaranteed over the life of this Agreement.

#### **4.3 INFORMATION SUPPLIED TO FISCAL AGENT**

When using the services of the Fiscal Agent, Issuers, or others on behalf of Issuers, will, absent extraordinary circumstances, provide, or cause to be provided, to the Fiscal Agent:

- (a) Copies of Authorizing Documents, and official statements or limited offering or private placement memoranda, if any, a minimum of three Business Days prior to closing;
- (b) A supply of printed or electronic certificates deemed adequate by the Fiscal Agent, in consultation with Bond counsel and underwriter, a minimum of three Business Days prior to closing;
- (c) A list of registered owners, with addresses and tax identification numbers, and principal amounts and denominations of Bonds, a minimum of three Business Days prior to closing;
- (d) Resolution or letter of instructions directing the authentication and delivery of Bonds by the Fiscal Agent, a minimum of three Business Days prior to closing;
- (e) A complete transcript; and
- (f) CUSIP numbers.

#### **4.4 ACCEPTANCE OF COP TRUST AGREEMENTS ENTERED INTO BY PRIOR FISCAL AGENT**

Upon successful transition of the Services to Fiscal Agent, Fiscal Agent agrees to accept all outstanding COP Trust Agreements entered into by the Prior Fiscal Agent.

#### **4.5 OTHER SERVICES FOR STATE, PAYORS AND ISSUERS**

Nothing in this Agreement shall preclude the State, any Issuer, or any Payor from contracting separately with the Fiscal Agent for services not within the scope of this Agreement.

**4.6 SERVICES ASSOCIATED WITH PAYMENTS AND OTHER ACTIVITIES OCCURRING ON OR AFTER JULY 1, 2023.**

Prior to the effective date of the Agreement, U.S. Bank Trust Company, National Association will take such action necessary, including but not limited to billing for debt service payments that will occur on or after July 1, 2023, to ensure the Payor's are timely notified of payment requirements and remittance instructions for principal and interest payments occurring on or after July 1, 2023.

**5. AGREEMENT TERM AND TERMINATION**

**5.1 TERM OF AGREEMENT AND SURVIVAL OF TERMS**

**5.1.1** The initial term of this Agreement shall be for four years unless otherwise terminated in accordance with this Agreement. The initial term shall commence on July 1, 2023, and end on June 30, 2027.

**5.1.2** Upon mutual agreement, as evidenced by a formally executed Amendment to this Agreement, this term may be renewed for additional periods not to exceed four years, for a maximum length of eight years.

**5.1.3** Upon the expiration of the initial term of this Agreement plus any extension(s) pursuant to Section 5.1.2, if the State has not entered into a replacement contract for fiscal agency services and completed the transition and unwinding of the Services under this Agreement to its satisfaction, the State shall have the right to extend this Agreement by written notification to the Fiscal Agent until such time as a replacement contract has been entered into and the transition and unwinding of the Services under this Agreement are completed.

**5.1.4** Upon any expiration or termination of this Agreement and the selection of another fiscal agent by the State, the State shall have the right to extend this Agreement for up to an additional one year to permit the appropriate transition and unwinding of the Services under this Agreement.

**5.2 TERMINATION AND REMEDIES**

**5.2.1** Termination for Convenience. The State may terminate this Agreement, in whole or in part, at any time and for any reason by giving 120 Calendar Days' written termination notice to the Fiscal Agent.

**5.2.2** Termination for Reduction in Funding or Withdrawal of Authority. In the event that any funding from the State or Issuer/Payor is withdrawn,

reduced, or limited, or the authority of the State to perform any of its duties is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to its normal completion, the State may terminate this Agreement, in whole or in part, at any time by giving 60 Calendar Days' written termination notice to the Fiscal Agent.

**5.2.3** Termination for Breach. The State shall be entitled, by written notice stating the date of termination, to cancel this Agreement in its entirety or in part for breach of any of the terms herein, and to retain all other rights against the Fiscal Agent by reason of the Fiscal Agent's breach as provided by law.

A "breach" means one or more of the following events:

- (1) The Fiscal Agent fails to perform the Services in the manner or by the time and date required;
- (2) The Fiscal Agent fails to perform or comply with any term in this Agreement;
- (3) The Fiscal Agent fails to exercise Due Care as to any aspect of this Agreement;
- (4) The Fiscal Agent makes any general assignment for the benefit of creditors;
- (5) The Fiscal Agent becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
- (6) The Fiscal Agent becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization or relief from debtors;
- (7) Any receiver, trustee or similar official is appointed for the Fiscal Agent or any of the Fiscal Agent's property; or
- (8) The Fiscal Agent no longer meets the minimum requirements in Section 3.8.1.

If it is subsequently found that the Fiscal Agent was not in breach, the rights and obligations of the parties shall be the same as if a notice of termination had been issued pursuant to Section 5.2.1.

The State Contract Administrator reserves the right to issue a written notice of breach and provide the Fiscal Agent a reasonable opportunity to cure. Time allowed for cure shall not diminish or eliminate the Fiscal Agent's liability for damages.

If the breach remains, after the Fiscal Agent has been provided an opportunity to cure, the State may do one or more of the following:

- (1) Exercise any remedy provided by Laws and Regulations;
- (2) Terminate this Agreement and any related contracts or portions thereof, by written notice; and
- (3) Seek damages.

**5.2.4** Termination by Mutual Agreement. The State and the Fiscal Agent may terminate this Agreement in whole or in part, at any time, by mutual agreement.

**5.2.5** Termination for Merger or Acquisition. The Fiscal Agent may propose the substitution of another qualified organization to act as Fiscal Agent under this Agreement in the event of a merger or acquisition involving the Fiscal Agent, provided that the proposed successor fiscal agent can meet all required terms of this Agreement and that the State Contract Manager is given written notice by the Fiscal Agent, not less than 60 Calendar Days prior to the effective date of such merger or acquisition. In this event, the successor fiscal agent shall agree to be bound by all terms of this Agreement and provide an automatic continuation of Services to be rendered under this Agreement. The State reserves the right to terminate the Agreement in the event a successor Fiscal Agent is substituted,

**5.2.6** Termination Procedure. In addition to the procedures set forth below, if the State terminates this Agreement, the Fiscal Agent shall follow any additional procedures the State specifies in its Notice of Termination.

Upon termination of this Agreement, the State, in addition to any other rights provided in this Agreement, may require the Fiscal Agent to deliver to the State any property specifically produced or acquired for the performance of this Agreement. The rights and remedies of the State or Issuers/Payors provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

**5.2.7** Termination-Related Duties. No later than 120 Calendar Days prior to the expiration of the initial four-year term of this Agreement, and 120 Calendar Days prior to the expiration of any extension to this Agreement, or upon written notice of termination in accordance with this Agreement, the Fiscal Agent shall take all available measures to facilitate and ensure an orderly and efficient transition to any successor Fiscal Agent designated by the State, and the Fiscal Agent shall at all times cooperate and coordinate with the State and such successor fiscal agent(s) to ensure the uninterrupted provision of Services to Issuers/Payors. Such



cooperation and coordination may require additional transition responsibilities beyond the termination of this Agreement. The Fiscal Agent agrees to coordinate with the State, in good faith, to permit a limited extension of this Agreement (per Section 5.1.5) to facilitate the unwinding of this Agreement.

### **5.3 CONFLICT OF INTEREST**

The Fiscal Agent warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with its performance of Services required under this Agreement. The Fiscal Agent shall promptly notify the State of any potential or anticipated conflict of interest with the Fiscal Agent's performance of Services under this Agreement. If such conflict cannot be resolved to the State's satisfaction, the State reserves the right to immediately terminate this Agreement.

## **6. CONTRACT ADMINISTRATION**

### **6.1 STATE CONTRACT ADMINISTRATION**

**6.1.1** The State Contract Administrator will manage this Agreement on behalf of the State. The State Contract Administrator has designated the Deputy State Treasurer for Debt Management to act as the State Contract Manager. The State will notify the Fiscal Agent, in writing, in the event that there is a change in staffing and a new State Contract Administrator or State Contract Manager is assigned to this Agreement.

**6.1.2** The State Contract Manager will be the principal point of contact for the Fiscal Agent on all matters pertaining to the contract. The State Contract Manager will manage the day-to-day operations of the Agreement.

### **6.2 FISCAL AGENT CONTRACT ADMINISTRATION**

The Fiscal Agent shall appoint an individual who will be the Fiscal Agent's Account Manager for the State account. The Fiscal Agent's Account Manager will be the principal point of contact for the State concerning the Fiscal Agent's performance hereunder. The Fiscal Agent's Account Manager will also serve as the focal point for business matters, support coordination, and administrative activities. The Fiscal Agent shall timely notify the State, in writing, if a new Fiscal Agent's Account Manager is assigned.

### **6.3 PAYMENT**

Issuers/Payers shall pay the Fiscal Agent in accordance with the schedule set forth in Exhibit B of this Agreement. The Fiscal Agent shall bill Issuers/Payers annually for administrative services pursuant to the following conditions:

- (a) The billing period for administrative fees will be July 1 through June 30 and will be as of the first day service is to be provided;
- (b) Invoices will be posted on the Fiscal Agent's website each year during the month of July, but in no event later than October 31 of the current billing period;
- (c) Issues that close after July 1 will be billed on the next scheduled billing cycle as follows: 1) in arrears from the date of closing through June 30, and 2) from July 1 through June 30 for the then current billing cycle;
- (d) Issues that are not administered for a full year of service, but are charged for a full year of service will be prorated and any refund owed to an issuer will be applied based on the number of days service is provided and will be refunded at the time of the next billing cycle;
- (e) Administrative fees billed hereunder are fees for services provided by the Fiscal Agent throughout the year and will only be charged for periods in which service is provided notwithstanding the manner and timing of the billing cycle.

The Fiscal Agent is responsible for the timely billing of administrative fees. In the event invoices for administrative fees due are not posted by October 31, the Fiscal Agent waives its right to payment for that year.

Except as otherwise provided herein, fees shall be due and payable within 60 Calendar Days after receipt of properly prepared and submitted invoices. Failure to pay fees when due may result in interest being added in accordance with Chapter 39.76 RCW.

In no event will the State be responsible to the Fiscal Agent for payment of any fees, administrative or otherwise, owed hereunder by any other Issuer and/or Payor, other than those incurred by the State as Issuer and/or Payor.

Notwithstanding anything to the contrary in this Agreement, Issuers/Payers shall have the right to deduct and set off any amounts owed by the Fiscal Agent against amounts that would otherwise be payable in accordance with Exhibit B.

#### **6.4 TAXES AND OTHER EXPENSES**

It is mutually agreed and understood that all payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Fiscal Agent's staff shall be the sole liability of the Fiscal Agent.

#### **6.5 NOTICE OF MATERIAL CHANGES IN BUSINESS OPERATIONS**

The Fiscal Agent will notify the State Contract Manager of any internal changes to the Fiscal Agent's business, including but not limited to staffing changes, that impact the way in which services are delivered under this Agreement.

### **7. FISCAL AGENT RESPONSIBILITIES**

#### **7.1 RESPONSIBILITY OF FISCAL AGENT TO ACT WITH DUE CARE**

The Fiscal Agent shall exercise Due Care in performing its Services hereunder.

#### **7.2 CONFIDENTIALITY OF STATE AND ISSUER RECORDS**

**7.2.1** The Fiscal Agent acknowledges that documents and information of the State, Issuers and Payors that have or will come into its possession or knowledge in connection with this Agreement, or its performance of Services hereunder, may include confidential and proprietary data, the disclosure of which to, or use by, third parties could be damaging.

**7.2.2** The Fiscal Agent agrees to hold all such documents and information identified to the Fiscal Agent as confidential and proprietary in strictest confidence, to make use thereof only for the performance of Services under this Agreement, to release it only to authorized employees of the Fiscal Agent (or of a Subcontractor) requiring such information, and not to release, sell or disclose it to any other party.

**7.2.3** Notwithstanding anything to the contrary in the preceding provisions of this Section 7.2, the Fiscal Agent may release the material and information described in this Section 7.2 to its internal and external auditors (whether employees of the Fiscal Agent or others) for official use and to a governmental agency that regulates the Fiscal Agent (whether in routine disclosures or in connection with such agency's inquiry about or examination of the Fiscal Agent's records or otherwise) and may also release it pursuant to a subpoena or other order issued by a court of competent jurisdiction or otherwise as required by Laws and Regulations. The Fiscal Agent shall promptly notify the State and any other Issuer/Payor involved of any such subpoena or order upon its receipt, unless prohibited by Laws and Regulations.

### **7.3 REGISTRATION WITH THE DEPARTMENT OF REVENUE**

The Fiscal Agent shall complete registration with the Washington State Department of Revenue, and be responsible for payment of all taxes due on payments made under this Agreement.

### **7.4 LICENSING AND ACCREDITATION STANDARDS**

The Fiscal Agent shall comply with all applicable local, state, and federal licensing requirements and standards necessary in the performance of this Agreement.

### **7.5 INSURANCE**

**7.5.1** Workers' compensation insurance coverage. The Fiscal Agent shall provide or purchase applicable workers' compensation insurance coverage prior to performing work under this Agreement. The State will not be responsible for payment of industrial insurance premiums for the Fiscal Agent, or any Subcontractor or employee of the Fiscal Agent, which might arise under the workers' compensation insurance laws during performance of duties and Services under this Agreement. Should the Fiscal Agent fail to secure workers' compensation insurance coverage or fail to pay premiums on behalf of employees, the State may deduct the amount of premiums owed from the amounts payable to the Fiscal Agent under this Agreement and transmit the same to the appropriate workers' compensation insurance fund.

**7.5.2** The Fiscal Agent shall maintain and keep current all insurance policies set forth in the Fiscal Agent's RFP Response for the entire term of this Agreement.

The following language from the Fiscal Agent's RFP Response is restated below and incorporated into this Agreement:

As described in the Fiscal Agent's RFP Response, U.S. Bancorp, a diversified financial service holding company and the parent company of U.S. Bank National Association, maintains insurance policies for the following categories:

- General Liability
- Automobile Liability
- Property
- Professional Liability (Errors & Omissions)
- Financial Institution Bond (Crime/Fidelity)
- Electronic Computer Crime
- Cyber Liability
- Employers Liability
- Workers' Compensation

All participating insurance carriers are required to have an A.M. Best rating of A-VII.

## **7.6 PUBLICITY**

**7.6.1** The award of this Agreement to the Fiscal Agent is not in any way an endorsement of the Fiscal Agent or its products by the State and shall not be so construed by the Fiscal Agent in any advertising or other publicity materials.

**7.6.2** The Fiscal Agent agrees to submit to the State Contract Manager all advertising, sales promotion, and other publicity materials relating to this Agreement furnished by the Fiscal Agent wherein the State's name is mentioned, language is used, or internet links are provided from which the connection of the State's name therewith may, be inferred or implied. The Fiscal Agent further agrees not to publish or use such advertising, sales promotion materials, publicity or the like through print, voice, the internet, and other communication media in existence or hereinafter developed without the express written consent of the State Contract Administrator prior to such use. Nothing herein shall preclude the Fiscal Agent from citing the Services performed under this Agreement in resumes or proposals for future work with the State or other entities.

**7.6.3** The provisions in this Article shall survive the expiration or termination of this Agreement.

## **7.7 AUDITS AND RECORDS**

The Fiscal Agent shall permit representatives of the State Contract Administrator, an auditor selected by the State, or the Auditor of the State of Washington or their authorized agents to examine the records of the Fiscal Agent relating to the Services rendered under this Agreement. If the Fiscal Agent has contracted with any Subcontractors, the Fiscal Agent shall require each Subcontractor to provide similar access to the designated State officials or their representatives.

Any audits conducted under this Section 7.7 which do not necessitate the compilation of records in addition to those which are otherwise required by other Sections of this Agreement may be conducted without notice. Any audits conducted under this Section 7.7 which require the compilation of records in addition to those which are otherwise required by this Agreement may be conducted upon 10 Business Days' written notice from the State to the Fiscal Agent. The State shall bear the cost of conducting audits conducted under this Section 7.7, except that the Fiscal Agent shall bear all costs and expenses of any audits

conducted as a result of the Fiscal Agent's breach of any provision of this Agreement.

The provisions of this Section 7.7 shall remain in effect for three years after the expiration, or sooner termination, of the term of this Agreement. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until one year following the termination of such litigation, claim, or audit, including any appeals thereto.

The Fiscal Agent shall maintain all books, records, documents, data, and other evidence relating to this Agreement and performance of the Services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. The Fiscal Agent shall retain such records for a period of six years following the date of final payment. If any litigation, claim, or audit is started before the expiration of the six-year period, the records shall be retained the longer of either one year following the termination of said litigation, claim, or audit, including all appeals or six years from the date of final payment on this Agreement.

## **7.8 PUBLIC RECORDS**

Any documents and records that are provided to the State or any Issuer or Payor, including those provided by the Fiscal Agent, are public records under the Washington Public Records Act, Chapter 42.56 RCW, and as such may be subject to public disclosure.

The State recognizes that certain documents and records may contain proprietary information exempt from disclosure under the Public Records Act, may constitute trade secrets as defined in RCW 19.108.010(4), and may include confidential information that is otherwise subject to protection from misappropriation or disclosure. Should such records become the subject of a request for public disclosure, the following provisions shall apply:

The State shall immediately notify the Fiscal Agent of such request and the date by which the State anticipates producing the requested records.

The Fiscal Agent must then assert in writing to the State any claim that such records contain proprietary or confidential information of the Fiscal Agent that the Fiscal Agent believes is exempt from disclosure under the Public Records Act or is subject to protection pursuant to Chapter 19.108 RCW or other State law so that the State may consider the Fiscal Agent's assertion in responding to the requestor.

If, within eight Business Days after the date the State notifies the Fiscal Agent of such request, the Fiscal Agent makes no assertion that the requested records

should be exempt, the State will make the appropriate disclosure without further notice to the Fiscal Agent.

If the Fiscal Agent makes a timely assertion that the requested records are or should be exempt from disclosure, and the State does not agree that a statutory exemption exists to preclude such disclosure, the State will allow the Fiscal Agent an additional 10 Business Days for the Fiscal Agent to seek judicial protection of the records pursuant to RCW 42.56.540. Such an action shall be at the Fiscal Agent's expense. If the Fiscal Agent does not seek judicial protection of the records within 10 Business Days after notifying the State of its belief that the records contain proprietary or confidential information or trade secrets, then the State may release the records to the requestor.

If prior to judicial consideration, the State, in its sole discretion believes the Fiscal Agent does not have a valid claim, it shall so notify the Fiscal Agent no less than five Business Days prior to the date the State intends to make the disclosure to allow the Fiscal Agent to take such action as it deems appropriate prior to disclosure. The State will not make such a disclosure while an action to enjoin disclosure is pending under RCW 42.56.540.

If the Fiscal Agent believes that any documents or records subject to transmittal or review by the State under the terms of this Agreement contain proprietary, trade secret or other materials that are exempt or protected from disclosure pursuant to applicable Laws and Regulations, the Fiscal Agent shall identify and clearly mark such information prior to such transmittal or review. The provisions of this Section 7.8 shall apply even though the Fiscal Agent may fail to identify and clearly mark such information prior to transmittal or review.

## **7.9 LEGAL COMPLIANCE**

The Fiscal Agent shall comply with all Applicable Laws and Regulations, including but not limited to, all applicable nondiscrimination laws and regulations, including but not limited to; Title VI, Non-Discrimination, Title 49 C.F.R., Part 21 and Title VII of the Civil Rights Act; 42 U.S.C. § 12101 et seq., the Americans with Disabilities Act; and Title 49.60 RCW, Washington Law Against Discrimination. In the event of a Fiscal Agent noncompliance or refusal to comply with any nondiscrimination law, regulation or policy, OST may terminate this Agreement, in whole or in part, and/or declare the Fiscal Agent ineligible for other contracts with the State.

## **7.10 OWNERSHIP OF DATA**

The State shall own the data compiled in performing Services under this Agreement, regardless of the software used to manage the data or the media upon which the data are stored or used. With the consent of the State, the Fiscal Agent may convert the database to other software. The Fiscal Agent shall be responsible

for the safekeeping and accurate maintenance of the data, and shall provide the data to the State, or its agents or contractors, as authorized by the State. The Fiscal Agent is authorized to use and copy the data, and to keep copies of the data at the termination or conclusion of this Agreement.

**7.11 RISK OF LOSS**

The Fiscal Agent acknowledges that by State statute, RCW 43.80.150, OST, the State Treasurer, and other fiscal officers of any subdivision of the State are prohibited from being held responsible for funds remitted to the Fiscal Agent. As such, the Fiscal Agent agrees to bear the risk of loss of funds remitted to it by the Issuers/Payors.

**8. CONTRACT EXECUTION**

**8.1 COUNTERPARTS**


This Agreement may be executed in duplicate originals and each duplicate shall be deemed an original copy of the Agreement signed by each party, for all purposes.

**8.2 SIGNATURE BLOCKS**

In Witness Whereof the parties hereto, having read this Agreement for Fiscal Agency Services in its entirety, including all attachments hereto, do agree in each and every particular and certify as to having authorization to contract on behalf of the party represented.

**APPROVED**

State of Washington  
State Finance Committee

DocuSigned by:  
  
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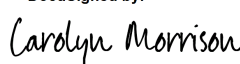
Mike Pellicciotti  
Washington State Treasurer  
State Finance Committee Chair

12/21/2022

Date

**APPROVED**

U.S. Bank Trust Company, National  
Association

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Carolyn Morrison  
Vice President

12/21/2022

Date



**APPROVED AS TO FORM**

State of Washington

Office of the Attorney General

DocuSigned by:

*Scott Forbes*

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Assistant Attorney General

12/21/2022

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Date

## **Exhibit A**

### **SCOPE OF SERVICES**

#### **1. Paying Agent**

Pay principal of registered/non-book entry Bonds immediately upon presentment on or after the due date. Pay interest on registered Bonds by check, wire transfer, automated clearinghouse, or direct deposit to Bond owners' accounts as provided in the Authorizing Documents. Pay registered Bonds in book-entry form as provided in the letter of representations with the Bonds depository. Bonds held by the U.S. Department of Agriculture shall be paid as provided in the Authorizing Documents.

#### **2. Local Paying Agent**

Provide the Paying Agent services through a Washington branch network located throughout the state that includes: (i) paying bearer Bonds and coupons upon presentation, and (ii) paying principal of registered/non-book-entry Bonds when due, either at maturity or on early redemption. This service may be performed through a Subcontractor with the State's prior written consent.

#### **3. Registrar**

Register Bonds and maintain an accurate record of registered owners of registered Bonds (including bearer Bonds registered as to principal only and Bonds in fully registered form). For book-entry-only Bonds, register global certificates in the nominee name of the depository, post reductions of principal amounts in records, and cancel global certificates when any maturity is paid in full. The Fiscal Agent will forward Bond certificates in "nonnegotiable" form by first class mail and Bond certificates in "negotiable" form by registered mail or other insured carrier. All such mail deliveries shall be covered, while in transit to the addresses, by insurance arranged for by the Fiscal Agent.

The Fiscal Agent shall monitor and follow DTC operating procedures and requirements with respect to the administration of outstanding Bonds, including but not limited to Bonds with put features.

The Fiscal Agent shall (a) authenticate the Bond certificates in accordance with the Authorizing Documents and deliver the non-book entry certificates to the underwriter or purchaser or others at the direction of the Issuer a minimum of one Business Day prior to closing, or as requested by bond counsel; (b) maintain accurate records of all certificates received, issued and delivered; and (c) hold certificates delivered through FAST closing.

#### **4. Transfer Agent**

Process the registration of the transfers of Bonds, cancel all such Bonds paid or transferred, prepare and authenticate Bonds to be issued on transfer, and update the registration records.

#### **5. Exchange Agent**

Upon request from any registered owner, exchange Bonds of an issue for other Bonds of the same issue, maturity and interest rate in accordance with the applicable Authorizing Documents. This includes the conversion of bearer Bonds to fully registered Bonds, or the reverse if permitted by the Authorizing Documents. Upon receipt, cancel Bonds received for exchange, prepare and authenticate the Bonds to be issued in exchange, and enter transaction information into the registration records.

#### **6. Tender Agent**

Serve as agent for variable rate, commercial paper ("CP"), auction rate Bonds, and other Bonds where the Authorizing Documents require a depository for the "puttable bonds" to be received and processed. Work with the remarketing/auction/CP agent, using a liquidity facility, if any, as a backup, in reissuing replacement Bonds at the new rate/term.

#### **7. State COP Program**

**7.1.** Trust Agreements. For each issue of COPs, the Fiscal Agent is required to enter into a Trust Agreement with the State and the Washington Finance Officers Association. The Trust Agreement sets forth the duties and responsibilities of the Fiscal Agent for each COP issue. The Fiscal Agent will deliver the executed Trust Agreement and related documents to bond counsel as requested, but at a minimum of two Business Days prior to closing. In addition to the collection services described below in subsection 7.2, the Trustee's duties under each Trust Agreement include, but may not be limited to the following:

- Enter into a Master Assignment and, pursuant to which, accept the assignment of the Master Financing Agreements,
- Authenticate and register COPs and maintain registration records for the COPs,
- Act as paying agent for the COPs,
- Receive payments from the State to make payments on the COPs, and
- Handle optional and mandatory redemptions of COPs.

The current forms of the Trust Agreement and Master Assignment are attached as Exhibit C – Sample COP Trust Agreement Documents, and are incorporated into this RFP by reference. The State may amend the form of the Trust Agreement in the future, at which time the Fiscal Agent will be provided with an opportunity for

review and input, to the extent the amendments may impact the duties and responsibilities of the Fiscal Agent.

## **7.2. Collection Services**

- In connection with each COP issue involving LOCAL Participants, the Fiscal Agent shall establish accounts for each LOCAL Participant's financing contract(s) or lease(s). The Fiscal Agent shall collect principal and interest payments due to the State from the LOCAL Participants pursuant to the terms of the financing contracts and leases.
- The Fiscal Agent shall directly bill LOCAL Participants in the State's COP program by providing a bill at least 15 Calendar Days before the required due date. The due date shall be exactly one calendar month prior to the scheduled principal and interest payment date for the applicable COP issue (currently, LOCAL Participant due dates are December 1 and June 1 for January 1 and July 1 COP payments to COP owners).
- The Fiscal Agent shall remit collections from LOCAL Participants to the State Treasurer one calendar month prior to the scheduled payment date for the applicable COP issue. (Some LOCAL Participants prepay their financing contracts. In those cases, Permitted Investments, maturing on the scheduled payment date for the applicable COP issue, are held by the Fiscal Agent in an escrow account for the benefit of the COP owners. The Fiscal Agent must have a process for handling adjustments for these prepayments to the billings to LOCAL Participants for principal and interest payments.) The State Treasurer will remit funds for the benefit of the COP owners to the Fiscal Agent on the scheduled payment dates for the COP issue.
- The Fiscal Agent shall charge the State an annual fee per LOCAL Participant financing contract/lease for performing the collection services.

## **8. School Bond Guarantee Program**

On issue set-up/data entry, the Fiscal Agent will identify/flag those school district Bonds for which it serves as Bond Registrar and Paying Agent and which also participate in the State's School Bond Guarantee Program. If an Issuer or Payor on a school district Bond that is guaranteed by the State fails to pay interest and/or principal on or prior to a payment date, the Fiscal Agent shall immediately notify the State Contract Manager.

## **9. Destruction**

Securely store all Bonds canceled because of transfer, payment, exchange, or for other reasons according to their Authorizing Documents or for one year before proper disposition. Provide cremation or other appropriate method of destruction services as requested by the State or Issuer in accordance with current regulations. Provide a

destruction certificate giving full descriptive reference to the instruments destroyed to the appropriate Issuer. A subsidiary destruction ledger or computer file must be maintained as a historical record to ensure proper accounting control.

#### **10. Lost, Stolen or Destroyed Bonds**

Place stop orders on lost, stolen or destroyed Bonds when notified by an owner not to register or transfer a Bond or to pay it on maturity or redemption. Replace or pay such Bonds and coupons if a Bond owner provides satisfactory evidence of the destruction or loss of the original Bond, and provides any Bond, indemnity or evidence that is required under the Authorizing Documents and the Fiscal Agent's standard procedures which shall be provided to the State Contract Manager.

#### **11. Unclaimed Property**

Act as fiduciary agent for purposes of Chapter 63.29 RCW (Uniform Unclaimed Property Act). Chapter 63.29 RCW shall govern the responsibilities of the Fiscal Agent with respect to abandoned property except as expressly provided to the contrary in the Agreement, as amended from time to time. This section describes current law; if the law changes, the Agreement will be amended to reflect the new law. Hold any funds remitted to the Fiscal Agent for redemption of coupons, registered interest checks, and Bonds in accordance with the requirements of the related Authorizing Documents. For one year after the appropriate redemption date (tracked by individual serial maturity), the Fiscal Agent shall retain unpaid balances as part of the overall investment balance total.

Upon written request of an individual Issuer, the Fiscal Agent shall transfer to any individual Issuer such unpaid balances and any relevant records identifying the obligation and the registered owner, if known, on the first Business Day of the 13th month after the date due for payment or redemption.

If no written request has been received from an Issuer, the Fiscal Agent shall report and remit any such unpaid balances remaining unredeemed and in the possession of the Fiscal Agent for two years after the funds have become payable or distributable to the State Department of Revenue. Issuers are entitled to two years' worth of earnings on such funds.

Funds received by the Fiscal Agent for interest payments or redemption of Bonds shall be held by the Fiscal Agent for such payment or redemption without any obligation of an Issuer or the Fiscal Agent to pay interest thereon to the owner from the due date to the date of presentment.

Subsequent to such payment of unpaid balances to the State Department of Revenue or Issuers, as applicable, the Fiscal Agent shall have the authority to reject presentment of any unpaid coupons, Bonds or checks relative to unpaid balances that have been paid to the State Department of Revenue or Issuers, and payment for said items shall be the sole responsibility of the Issuer or the State Department of Revenue, as applicable. In the event

the Fiscal Agent shall pay coupons, Bonds or checks relative to unpaid balances that have been returned to the State Department of Revenue or an Issuer, the Fiscal Agent shall immediately notify the Issuer or the Department of Revenue, as applicable, and request reimbursement of the amount paid.

## **12. Redemptions**

Perform all services associated with mandatory, extraordinary and optional redemptions of Bonds either (i) as required by the Authorizing Documents or (ii) as permitted by the Authorizing Documents and requested by the Issuer.

## **13. Unissued Certificates**

Maintain inventory, safekeeping, accounting, and proper audit controls over all unissued certificates. Request additional certificates, as needed, from Bond counsel and/or Issuers.

## **14. Continuing Disclosure**

To the extent required under the Authorizing Documents, provide notices of redemptions and defeasances in accordance with the Securities and Exchange Commission (the "SEC") Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

## **15. Notices/Communications**

Upon request from an Issuer or if required by the Authorizing Documents, provide timely notices and communications to Bond owners, the MSRB, rating agencies, Bond insurers, Bonds depositories, escrow agents, and other information services.

## **16. Reporting**

### **16.1. Website**

#### **a. General Requirements**

The Fiscal Agent shall provide the services listed below, through the Fiscal Agent's website. The website will serve as the primary reporting system for all Issuers and Payors for the delivery of and access to Issuer information held by the Fiscal Agent.

The website shall provide, at a minimum, and enable Issuers and Payors to access, the following:

- i. At least 15 Calendar Days prior to the due date, invoices for payments of principal and interest ("Maturity Bill Statements"); and

- ii. Within seven Calendar Days following a maturity/payment date, updated records of the receipt and disbursement of funds for principal and interest payments (the "Cash Statements") and projected principal, interest, call premium and paydowns ("Debt Service Schedules").

b. COP Program.

In addition to Services related to COP issues, the Fiscal Agent shall provide, through a website that serves as the primary reporting system for all LOCAL Participants, invoices for payments of principal and interest, Cash Statements and a schedule of principal, interest, and paydowns for their financing contracts as it would for Issuers who have issued Bonds.

In reporting to the State, the website shall allow for grouping by and reporting on all the LOCAL Participants' financing contracts and leases in a manner sufficient to meet the State's needs.

c. School Bond Guarantee Program

In reporting to the State, the Fiscal Agent's website shall, for Maturity Bill Statements, Cash Statements and Debt Service Schedules, allow for grouping by and reporting on all school district Bonds guaranteed by the School Bond Guarantee Program. On issue set-up/data entry, the Fiscal Agent will identify those school district Bonds which participate in the State's School Bond Guarantee Program.

d. Other Requirements:

- i. The website shall allow Issuers/Payors and the State to group on one or more of their loan accounts for viewing, reporting, and exporting.
- ii. The website shall permit the user to view, print and export (to PDF and Excel) the requested information.
- iii. Electronic documents of the Maturity Bill Statements and Cash Statements shall be archived on-line for a minimum of 18 months.
- iv. The website shall provide e-mail notifications to the Payors and/or Issuers when the Maturity Bill Statements and Cash Statements are available.
- v. Upon request from an Issuer and/or Payor, the Fiscal Agent shall provide reports illustrating the information under this Section in paper or electronic form.

- vi. The website shall provide login and password protection for each Payor and Issuer.
- vii. The website reports shall not include any social security numbers or other sensitive Bond owner information.

**16.2.** Additional Reporting. Provide to an Issuer and/or Payor timely status reports (by issue, as appropriate) in alternative formats or means, including hard copy, CD-ROM, disk, or email, as follows:

- Within seven Calendar Days after a notice of redemption or other continuing disclosure notice is sent, the Fiscal Agent shall provide to an Issuer and/or Payor a copy of the notice, the date it was sent, and the parties the notices were sent to;
- Monthly Investment Working Balances and earnings on all Working Balances of the Issuer (Earnings Statements);

And upon request:

- Cancellations;
- Bonds and coupon destruction;
- Lists of registered owners by name and address;
- Issuances, exchanges, call payments, transfers and/or replacement of Bonds;
- Inventory supply of unissued certificates;
- Annual reports, such as:
  - Outstanding principal as of end of fiscal period,
  - Unclaimed property, and
  - Defeased debt.

**16.3.** Annual Reports to State. No later than January 31 of each year during the term of the Agreement, Fiscal Agent shall deliver to the State Contract Manager annual reports regarding the prior year, or portion thereof, with:

- a. Then-current listing of:
  - the total issues outstanding,
  - the scale and volume of the Issuers' accounts,
  - contact information for all Issuers receiving Services under the Agreement at any time during the reporting year, and
  - other pertinent volume statistics.



b. Including the following:

- balances representing unredeemed Bonds, coupons or registered interest checks forwarded to an Issuer during the previous calendar year, and
- balances representing unredeemed Bonds, coupons or registered interest checks forwarded to the State Department of Revenue during the previous calendar year.

Such reports shall include any relevant records identifying the obligation (such as the debt series and loan account number), amounts, and the registered owner, if known.

## **17. Records/Audits**

Maintain appropriate records in connection with Fiscal Agent services. The State or its representatives and local government Issuers and Payors shall have reasonable access to such books and records for auditing purposes during the contract period, and for three full years after the date of the final payment of a Bond issue, or as otherwise required by the IRS. A detailed audit trail must be maintained that enables all Bonds and coupons to be tracked from issuance through transfer, payment, redemption and, where appropriate, to a destruction certificate. The Fiscal Agent will permit each Issuer/Payor to inspect and make copies of the Bond register books of the Issuer and will provide copies of the same to the Issuer upon its written request. In the case of any request or demand for the inspection of the Bond register books of the Issuer/Payor by someone other than the Issuer, the Fiscal Agent shall notify the Issuer and secure instructions prior to permitting or refusing such inspection. The Fiscal Agent shall have the right to exhibit the Bond register books to any person if it is advised by its counsel that it may be held liable for the failure to exhibit the Bond register books to such person.

The Fiscal Agent shall have an annual independent audit conducted for purposes of expressing an opinion on its financial statements and provide such audited financial statements to the State Contract Manager annually. The Fiscal Agent shall also have an annual independent service organization audit conducted for purposes of examining controls related to the services provided in a Fiscal Agent capacity (including controls obtained in subsection 21. Operation/System Requirements) and provide such report to the State Contract Manager annually.

The Fiscal Agent shall maintain an independent internal audit function that continuously conducts reviews of policies, procedures and internal controls, and provide internal audit information to the State Contract Manager, or the state's agents, as requested. Examinations must evaluate compliance with the Fiscal Agent's policies and procedures as well as regulations applicable to the Fiscal Agent. Examinations must also address the effectiveness of accounting, operational, administrative and data processing controls associated with the Fiscal Agent services performed.

For each new account, the Fiscal Agent will obtain, verify and record the documentation required for compliance with the federal Bank Secrecy Act/Anti-Money Laundering (BSA/AML) rules. The Fiscal Agent may also require documentation identifying the individuals authorized to represent the Issuer/Payor.

## **18. Earnings**

Acting as a fiduciary, invest all Working Balances in Permitted Investments for public funds in the State of Washington.

At least semiannually the Fiscal Agent shall pay earnings on Working Balances to the applicable Issuer or, at the Issuer's option, credit the amount of such earnings to the account of the Issuer for services rendered under this Agreement.

## **19. Bond Holder Relations**

Provide effective and timely response to Bond Holder inquiries. Services shall be available to accommodate Bond Holders until 5:00 P.M. Pacific Time each Business Day.

## **20. Issuer Relations**

**20.1.** Provide effective and timely response to Issuer inquiries. Services shall be available to accommodate Issuers until 5:00 P.M. Pacific Time each Business Day and on dates with scheduled automatic ACH payments shall begin at 6:00 A.M. Pacific Time. Provide either same-day resolution for problems or concerns raised by the Issuer or provide daily status updates if same-day resolution is not achieved. Provide notification to the State if the problem or concern cannot be addressed within two Business Days.

**20.2.** The Fiscal Agent shall provide regular outreach efforts to Issuers such as attending meetings/conferences of Washington associations of municipal finance professionals, visiting Issuers or by other means, to encourage mutual understanding and open communications.

**20.3.** Upon request, the Fiscal Agent shall provide training to Issuers and Payors on obtaining reports from the Fiscal Agent's website.

**20.4.** Maintain up-to-date Issuer contact information.

## **21. Operation/System Requirements**

**21.1.** Maintain and administer an efficient operation/system to process Issuer data. This includes, but is not limited to, all operations from the receipt of each item through data preparation/entry, verifying and reconciling all payments and non-payments, preparing standard monthly reports and other special analysis reports, and filing

and retaining shells/coupons. Data entry and file update operations must be completed within a reasonable period after a new issue closes and other transactions or events occur.

- 21.2.** Maintain adequate safeguards to prevent unauthorized access to Issuer/Payor information and to protect confidential Issuer information.
- 21.3.** Maintain a tested business recovery and continuity plan to protect Issuer/Payor data and provide alternate operating capability.
- 21.4.** Maintain an internal control structure that ensures all transactions recorded are complete, accurate, properly authorized and supported by adequate documentation; and adequate policies and procedures exist to prevent and detect errors, irregularities, and illegal acts.

## **22. Additional Services**

Issuers may issue Bonds or participate in financings that include various components or characteristics, including, but not limited to:

- Credit enhancement
  - Bond insurance
  - Letters of credit
- Liquidity facilities
- Tax-advantaged Bonds for which the federal government provides periodic payments

Accordingly, the following additional services may be requested by an Issuer:

- Bond insurance – keep policies and draw on policies as required;
- Letter of Credit services – maintain custody of various types of letter of credit documents, maintain and service instruments in accordance with its terms and conditions, prepare and execute draws from principal and/or interest on Bonds, track maturity and renewal dates, and monitor optional redemption;
- Liquidity Facilities services – maintain custody of original documents, monitor provisions relating to liquidity draws and renewal dates, and track the outstanding value of such instruments;
- Act as calculation agent and prepare the necessary tax forms for tax advantaged Bonds and submit such forms to the IRS in a timely manner; and
- Executing additional documentation confirming the foregoing services.
- Escrow agent services for current or advanced refundings.

**23. Other Services**

Provide other related Bonds processing services acting in a Fiscal Agent capacity as requested by the State or an Issuer or a Payor with the State's consent.

**Exhibit B****FEE SCHEDULE**

The fees shown below shall remain in effect for the initial period of the Agreement, and may be revised when the Agreement is renewed. Additional services may be added only by an instrument in writing and with the written consent of both parties. (See Sections 3.2 and 5.1 of the Agreement.)

<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Annual Administrative Fee</b>	
<u>Fixed Rate Issues:</u>	
Book Entry ( <i>per series</i> )	\$350.00
Non-Book Entry ( <i>per series</i> )	\$200.00
<u>Variable Rate Issues:</u>	
VRDOs ( <i>per series</i> )	\$1,000.00
Commercial Paper ( <i>per series</i> )	\$2,000.00
<u>LOCAL Program – Collection Services:</u>	
Annual Administrative Fee ( <i>per lease</i> )	\$175.00
<b>Investment Service Fee</b>	
Charge for investing Working Balances	50 basis points
(Charge is deducted prior to distribution of earnings to Obligors.) <sup>1</sup>	
<b>Additional Services</b>	
Escrow Services – COP Prepayment / Defeasance ( <i>per issue/per year</i> )	\$200.00
Dissemination Agent Services ( <i>annual fee</i> )	\$100.00
Calculation Agent Services (See “Additional Services” in Section III – 1.22)	\$200.00
Escrow Agent Services – refundings and defeasances ( <i>per issue</i> )	TBD

If a transaction is not finalized, fees will be charged for the services performed, not to exceed the maximum fee for the service shown herein.

**Extraordinary administration services (EAS)**

Extraordinary Administrative Services (EAS) are duties, responsibilities or activities not expected to be provided by the Fiscal Agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business and may require analysis or interpretation. In the event that EAS are required to be performed by the Fiscal Agent, the fee for the service will be negotiated in advance between the State, the affected Issuer/Obligor if applicable, and the Fiscal Agent, and may be calculated on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such rates or in such amounts in effect at the time the EAS is requested. EAS must be authorized by the State Contract Manager, and the Issuer if applicable, before any services are performed that

<sup>1</sup> Please note that this charge does not apply to the balance invested in either the U.S. Bank Money Market Deposit Account or U.S. Bank Open Commercial Paper. It will only be applied to the working cash balance held in U.S. Bank Deposit Demand Account for Uninvested Cash.

would incur EAS fees. EAS fees are due and payable in addition to annual or ordinary administration fees, and shall be due within sixty (60) calendar days after receipt of a properly prepared and submitted invoice. (See Section 6.4 of this Agreement.)

**Exhibit C**

**SAMPLE COP TRUST AGREEMENT DOCUMENTS**

Attachment C-1 – Trust Agreement

Attachment C-2 – Master Assignment (Personal Property)

Attachment C-3 – Master Assignment (Real Property)

Attachment C-4 – COP Form Appendix

**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

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TRUST AGREEMENT, SERIES #1#

by and among the

WASHINGTON FINANCE OFFICERS ASSOCIATION

and the

STATE OF WASHINGTON

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated \_\_\_\_\_, 20\_\_

Relating to

\$ \_\_\_\_\_

State of Washington

Certificates of Participation, Series #1# (\_\_\_\_\_)

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**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

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**TRUST AGREEMENT, SERIES #1#**

THIS TRUST AGREEMENT, SERIES #1# (the “Trust Agreement”), dated as of \_\_\_\_\_, 20\_\_, is entered into by and among the State of Washington (the “State”), acting by and through the State Treasurer (the “State Treasurer”), U.S. Bank National Association (the “Trustee”), and the Washington Finance Officers Association, a Washington nonprofit corporation (the “Corporation”).

**RECITALS**

The Parties are entering into this Trust Agreement based upon the following facts and expectations:

1. Chapter 39.94 RCW (the “Act”) authorizes the State to enter into financing contracts for itself, including for state agencies, departments or instrumentalities, the state board for community and technical colleges, and any state institution of higher education (“State Agencies”), for the use and purchase of real and personal property by the State; and

2. the State Treasurer has established a consolidated program providing for the execution and the issuance of certificates of participation in such financing contracts, or in master financing contracts to provide financing or refinancing for the costs of acquisition or improvement of real and personal property by such State Agencies and Local Agencies; and

**[USE WITH R/E]** 3. the Corporation and certain Agencies each have entered into a Site Lease, Series #1#, dated the Dated Date (the “Site Leases”), for the lease of certain parcels of real property (the “Site”) to the Corporation, which will sublease such Site to the State in order to finance or refinance the acquisition or improvement thereof (the “Projects”); and

**[USE WITH R/E]** 4. the Corporation and the State have entered into a Master Financing Lease, Series #1#, dated the Dated Date (the “Master Financing Lease”), pursuant to which the Corporation has subleased the Sites and the Projects thereon (collectively, the “Property”), as more particularly described in the Master Financing Lease, to the State; and

**[USE WITH R/E]** 5. under the Master Financing Lease, the State is obligated to make Rent Payments to the Corporation for the sublease of the Property described therein; and

**[USE WITH EQUIPMENT]** 6. the Corporation and the State have entered into a Master Financing Contract, Series #1#, dated as of the Dated Date (the “Master Financing Contract” **and together with the Master Financing Lease, the “Master Financing Agreements”**), to provide financing or refinancing for the acquisition of certain items of personal property on behalf of certain Agencies (collectively with the Sites and the Projects, the “Property”); and

**[USE WITH EQUIPMENT]** 7. under the Master Financing Contract, the State is obligated to make Installment Payments to the Corporation for the acquisition of the Property described therein; and

**Agreement for Fiscal Agency Services  
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8. the State Finance Committee has approved the form of this Trust Agreement pursuant to Resolution No. 1190 adopted on October 31, 2016; and

9. the Corporation has assigned to the Trustee without recourse its right to receive the **Rent Payments and Installment Payments (collectively, the “State Payments”)** scheduled to be made by the State under the respective Master Financing Agreement, together with its remaining interest in the Agency Financing Agreements, the **Site Leases, the Master Financing Agreements** and the Property, pursuant to the Master Assignment[s], Series #1#, each dated the Dated Date, between the Corporation and the Trustee (the “Master Assignment[s]”);

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION; MISCELLANEOUS PROVISIONS;  
SUPPLEMENTS; EQUAL SECURITY

Section 1.01 Definitions; Construction; Miscellaneous Provisions; Supplements. Appendix 1 is incorporated as part of this Trust Agreement by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Trust Agreement; (ii) certain rules for interpreting this Trust Agreement; (iii) miscellaneous technical provisions that apply to this Trust Agreement; and (iv) together with Article IX, rules on how this Trust Agreement may be amended or supplemented.

Section 1.02 Equal Security. This Trust Agreement shall be a contract between the Trustee and the Owners to secure the payment of the principal, Prepayment Price, if any, and interest evidenced and represented by the Certificates delivered hereunder, and all covenants and terms to be observed or performed by or on behalf of the Trustee shall be for the equal benefit and security of all Owners without preference or priority as to security or otherwise of any Certificates over any other Certificates, except as expressly provided herein. All Outstanding Certificates executed and delivered hereunder shall be equally and ratably secured with all other Outstanding Certificates, with the same right, lien, preference and priority with respect to State Payments, the Property and otherwise, except as expressly provided herein.

ARTICLE II

THE CERTIFICATES

Section 2.01 Authorization of Certificates; Terms of Certificates.

(a) Authorization and Description of Certificates. The Trustee is authorized to execute and deliver the Certificates in an Initial Principal Amount of \$\_\_\_\_\_, representing the aggregate of the Principal Components, and each evidencing and representing an undivided proportionate interest in the State Payments. The Certificates shall be designated the “State of Washington Certificates of Participation, Series #1# (\_\_\_\_\_),” shall be in fully registered form and shall be substantially in the form set forth in Exhibit A, with appropriate insertions and variations, and shall be numbered in such manner as the Trustee shall determine. “CUSIP” numbers may be printed on the Certificates.

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The Certificates shall be dated the Dated Date, shall be payable in lawful money of the United States of America and shall only be in Authorized Denominations.

The Principal Components evidenced by the Certificates shall be payable on the Principal Payment Dates and shall evidence interest at the following rates:

Principal Payment Date (____ 1)	Principal Component	Interest Rate
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The Interest Components evidenced by the Certificates shall be payable on each Interest Payment Date, commencing \_\_\_\_\_, 20\_\_\_. Interest evidenced by the Certificates shall be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Each Certificate shall evidence interest from its Dated Date and from the most recent Interest Payment Date to which interest has been paid in full or duly provided for, whichever is later. If any Certificate is duly presented for payment and not paid on such applicable date, then interest shall continue to accrue at the interest rate stated on such Certificate until it is paid.

If the Certificates are in fully immobilized form and held by DTC, such payments of Principal Components and Interest Components shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

If the Certificates are no longer in fully immobilized form, interest on the Certificates shall be paid by check or draft mailed by first class mail (or, if agreed to by the State, by wire transfer to an Owner of such Certificate to the Owners of the Certificates at the addresses for such Owners appearing on the Certificate Register on the Record Date. The Principal Component or Prepayment Price shall be payable upon presentation and surrender of such Certificates by the Owners to the Trustee.

(b) Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee.

Section 2.02 Certificate of Registrar; Registrar of Certificates.

(a) Registration Covenant. The Certificates shall be issued only in registered form as to both principal and interest and shall be recorded on the Certificate Register.

(b) Trustee. The Trustee shall keep, or cause to be kept, the Certificate Register at its principal corporate trust office, which shall be open to inspection by the State at all times during regular business hours. The Certificate Register shall contain the name and mailing address of the Owner of each Certificate and the principal amount and number of each of the Certificates held by each Owner. The Trustee may become either an Owner of Certificates with the same rights it would have if it were not the Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Beneficial Owners.

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(c) Ownership. The Trustee and the State may treat the Owner of each Certificate as the absolute owner thereof for all purposes.

(d) DTC Acceptance/Letter of Representations. To induce DTC to accept each Series of Certificates as eligible for deposit at DTC, the State has executed and delivered to DTC the Letter of Representations.

Neither the State nor the Trustee will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Certificates in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on any Certificate, any notice which is permitted or required to be given to the Owners under this Trust Agreement (except such notices as shall be required to be given by the State to the Trustee or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Owner. For so long as any Certificates are held in fully immobilized form, DTC or its successor depository shall be deemed to be the Owner of such Certificates for all purposes hereunder, and all reference herein to the Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Certificates.

(e) Use of Depository.

(i) The Certificates shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, with all Certificates maturing on the same maturity date and bearing the same interest rate in the form of a single certificate. Ownership of such immobilized Certificates, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Committee pursuant to subsection (ii) below or such substitute depository’s successor; or (C) to any person as provided in subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Committee to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Committee may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Trustee shall, upon receipt of all outstanding Certificates, together with a written request on behalf of the Committee, issue a single new Certificate for each maturity of the immobilized Certificates then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request.

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(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the State determines that it is in the best interest of the Beneficial Owners of any Certificates that Owners of Certificates be able to obtain those certificates in the form of the Certificates, the ownership of the Certificates may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The State shall deliver a written request to the Trustee, together with a supply of definitive Certificates for that Series to issue Certificates as herein provided in any Authorized Denomination. Upon receipt by the Trustee of all then outstanding Certificates of that Series, together with a written request on behalf of the State to the Trustee, new Certificates of the same Series shall be issued in the appropriate denominations and registered in the names of those persons as are identified in such written request.

(f) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Certificate may be registered and Certificates may be exchanged, but no transfer of any Certificate shall be valid unless such Certificate is surrendered to the Trustee, with the assignment form appearing on such Certificate duly executed by the Owner or its duly authorized agent in a manner satisfactory to the Trustee. Upon surrender of a Certificate for transfer or exchange, the Trustee shall cancel the surrendered Certificate and shall authenticate and deliver, without charge to the Owner or transferee, a new Certificate or Certificates (at the option of the new Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount of the surrendered Certificate, in any Authorized Denomination, naming as Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Certificate, in exchange for the surrendered and canceled Certificate. Any Certificate may be surrendered to the Trustee and exchanged, without charge, for an equal aggregate principal amount of Certificates, as appropriate, of the same series, date, maturity and interest rate, in any Authorized Denomination. The Trustee shall not be obligated to transfer or exchange any Certificate during the 15 days preceding any Interest Payment Date, Principal Payment Date or Prepayment Date.

(g) Mutilated, Lost, Stolen or Destroyed Certificates. If any Certificate becomes mutilated, lost, stolen or destroyed, the Trustee shall, upon request of the State, authenticate and deliver a new Certificate, as appropriate, of the same series, date, interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with applicable law. If the lost, stolen or destroyed Certificate has matured, the State, at its option, may pay the same without its surrender, in accordance with applicable law. No substitution or payment, however, shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Trustee of the destruction or loss of the original Certificate and of its ownership and (b) such additional security, indemnity or evidence as may be required by the State. No substitute Certificate shall be furnished until the applicant shall reimburse the State and the Trustee for their respective expenses.

ARTICLE III

DELIVERY OF CERTIFICATES; CREATION OF FUNDS

Section 3.01      Delivery of Certificates. The Trustee shall deliver the Certificates to the Underwriter upon receipt of the proceeds of sale thereof.

Section 3.02      Project Fund and Acquisition Fund.

(a)      **[USE WITH R/E]** Project Fund. The State Treasurer, as agent for the Corporation, shall establish the “State of Washington Certificates of Participation, Series #1# Project Fund” (the “Project Fund”). The money in the Project Fund shall be held by the State Treasurer and applied to the payment of the Project Costs. Money in the Project Fund shall be invested by the State Treasurer in Qualified Investments. Disbursements by the State Treasurer from the Project Fund to pay or reimburse the Project Costs of the related Property or the Projects to be financed or refinanced by each Agency shall not exceed the amount in the Project Fund allocable to such Agency, as determined by the State Treasurer. When the Projects and the related Property have been financed, or refinanced and all of the Project Costs have been paid, the State Treasurer shall transfer any remaining balance in the Project Fund to the Agency Rent Payment Fund.

(b)      **[USE WITH EQUIPMENT]** Acquisition Fund. The State Treasurer, as agent for the Corporation, shall establish the “State of Washington Certificates of Participation, Series #1# Acquisition Fund” (the “Acquisition Fund”). The money in the Acquisition Fund shall be held by the State Treasurer and applied to the payment of the Acquisition Costs of the Property. Money in the Acquisition Fund shall be invested by the State Treasurer in Qualified Investments. Disbursements by the State Treasurer from the Acquisition Fund to pay or reimburse the Acquisition Costs of Property to be acquired by each Agency shall not exceed the amount in the Acquisition Fund allocable to such Agency, as determined by the State Treasurer. When the Property has been financed or refinanced and all of the Acquisition Costs have been paid, the State Treasurer shall transfer any remaining balance in the Acquisition Fund to the Agency Installment Payment Fund.

Section 3.03      Application of Proceeds of Certificates. The State Treasurer shall determine the amount of proceeds from the sale of the Certificates to be deposited into the Project Fund and the Acquisition Fund to be used to pay Project Costs and Acquisition Costs, respectively.

[Section 3.04      Refunding Escrow Account.

(a)      Deposit, Investment and Expenditure of Money. Solely for the benefit of the owners of the Refunded Certificates, the Trustee shall establish a separate account named the “State of Washington Certificates of Participation, Series 20\_\_ Refunding Escrow Account,” which consists of the accounts shown in Exhibits B-1 through B-\_\_ (collectively, the “Refunding Escrow Account”), and shall carry out the Refunding Plan in accordance with this Section 3.04. On the Closing Date, the Trustee shall deposit in the Refunding Escrow Account proceeds of the Certificates received from the State Treasurer and use such proceeds to establish the cash



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balances and to purchase the Government Obligations described in Exhibits B-1 through B-\_\_\_. Such deposit, all proceeds therefrom, and all cash balances on deposit therein (a) shall be the property of the Refunding Escrow Account, (b) shall be applied only in strict conformity with the terms of this Trust Agreement, and (c) are hereby irrevocably pledged to the payment of the Refunded Certificates on the applicable payment and prepayment dates as set forth in the Refunding Plan. When the Refunded Certificates have been paid in accordance with the Refunding Plan, any balance then remaining in the Refunding Escrow Account shall be transferred to the State Treasurer and the Trustee shall thereupon be discharged from any further duties with respect to the Refunding Escrow Account. Upon receipt thereof, the Trustee shall deliver to the State copies of the documents evidencing its purchase of and payment for the Government Obligations.

(b) Limitation on Investments. Except for the initial investment in the Government Obligations, the Trustee shall not have any power or duty to invest or reinvest any money held in the Refunding Escrow Account, or to make substitutions of the Government Obligations, or to sell, transfer, or otherwise dispose of the Government Obligations.

(c) Sufficiency of Escrow. The State represents, based upon the Certification, that the cash and Government Obligations shall be sufficient to make when due the payments required by the Refunding Plan.

(d) Collection of Proceeds of Government Obligations and Application of Such Proceeds and Money. The Trustee shall present for payment and shall collect and receive on the due dates thereof the maturing installments of the principal of and interest on the Government Obligations and use such proceeds to carry out the Refunding Plan.

(e) Notices of Prepayment/Defeasance. The Trustee agrees to give a Notice of Defeasance of the Refunded Certificates in substantially the form attached as Exhibit C, immediately following execution of this Trust Agreement, and to give the Notice of Prepayment of the Refunded Certificates in substantially the forms attached as Exhibit D-1 through D-\_\_, not less than [30] nor more than 60 days prior to their respective prepayment dates. Notices given to the MSRB shall be in the electronic format prescribed by the MSRB and accompanied by the identifying information prescribed by the MSRB. The cost of publication of the notices will be paid by the State.

(f) All Government Obligations and Money and Proceeds Thereof Held in Trust. The Trustee irrevocably agrees to hold the Government Obligations, the principal thereof and interest thereon and any other money which it may receive pursuant to this Section 3.04 in trust and separate at all times from all other funds and investments held by it, solely for the purpose of making the payments required by the Refunding Plan and not for the benefit of the Owners of the Certificates. The State irrevocably conveys, transfers and assigns to the Trustee the Government Obligations, the principal thereof and interest thereon and any other money and investments deposited with the Trustee pursuant to this Section 3.04 for the purpose of making such payments. The Trustee shall not sell, transfer, assign or hypothecate any Government Obligations.

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(g) Remittance of Funds when Refunded Certificates Paid in Full. When all of the payments required to carry out the Refunding Plan have been made, the Trustee shall remit to the State Treasurer any remaining Governmental Obligations and money held by it pursuant to this Section 3.04.]

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01 Prepayment of Certificates.

(a) Optional Prepayment. The Certificates with Principal Payment Dates on and after \_\_\_\_\_, 20\_\_ are subject to prepayment prior to their respective stated Principal Payment Dates, as a whole or in part in Authorized Denominations on any date on or after \_\_\_\_\_, 20\_\_, upon the exercise by the State, at the direction of any Agency, of its option to prepay the Principal Components evidenced and represented by such Certificates, at the Prepayment Prices (expressed as a percentage of the Principal Components prepaid) of 100% plus accrued interest, if any, evidenced and represented thereby to the Prepayment Date.

(b) Mandatory Prepayment. The Certificates with a Principal Payment Date of \_\_\_\_\_, 20\_\_ are subject to mandatory prepayment prior to their stated Principal Payment Date, in part in Authorized Denominations, from State Payments on the Principal Payment Dates on and after \_\_\_\_\_, 20\_\_, in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest evidenced and represented thereby to the Prepayment Date, without premium, as follows:

Mandatory Prepayment Date	Principal Component
------------------------------	------------------------

\*Final Maturity.

The Certificates with a Principal Payment Date of \_\_\_\_\_, 20\_\_ are subject to mandatory prepayment prior to their stated Principal Payment Date, in part in Authorized Denominations, from State Payments on the Principal Payment Dates on and after \_\_\_\_\_, 20\_\_, in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest evidenced and represented thereby to the Prepayment Date, without premium, as follows:

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Mandatory  
Prepayment Date

Principal  
Component

\*Final Maturity.

The Certificates with a Principal Payment Date of \_\_\_\_\_, 20\_\_ are subject to mandatory prepayment prior to their stated Principal Payment Date, in part in Authorized Denominations, from State Payments on the Principal Payment Dates on and after \_\_\_\_\_, 20\_\_, in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest evidenced and represented thereby to the Prepayment Date, without premium, as follows:

Mandatory  
Prepayment Date

Principal  
Component

\*Final Maturity.

(c) Extraordinary Mandatory Prepayment. [USE WITH/ R/E] The Certificates are subject to prepayment on any date prior to their respective Principal Payment Dates, as a whole, or in part in Authorized Denominations, upon certain governmental takings, loss of title, and casualty loss, from amounts deposited in the Certificate Fund pursuant to Section 5.03, in the amount of the Principal Component evidenced and represented thereby being prepaid, plus accrued interest to the Prepayment Date, without premium.

(d) Purchase. The State reserves the right to purchase any Certificate offered for sale to the State at any time at any price.

(e) Partial Prepayment. If the Certificates are in book-entry form at the time of prepayment, and less than all of the Certificates are being prepaid, the selection of Certificates for prepayment shall be made in accordance with the operational arrangements in effect at DTC. If the Certificates are not then in book-entry form at the time of prepayment, the Trustee shall select such Certificates for prepayment in a random method determined by the Trustee.

(f) Notice of Prepayment. After receipt of the notice specified in Section 4.1 of the Master Financing Contract and Section 4.3 of the Master Financing Lease, notice of prepayment pursuant to this Section 4.01 shall be given by the Trustee, not less than 20 nor more than 60 days prior to the Prepayment Date, to (i) the State Treasurer, (ii) the Owner of each Certificate affected at the address shown on the Certificate Register on the date such notice is mailed, (iii) the Securities Depositories, and (iv) the MSRB. Each notice of prepayment shall state the date of such notice, the Dated Date of the Certificates, the Prepayment Date, the

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Prepayment Prices, the place or places of prepayment (including the name and address of the Trustee), the CUSIP number of the Certificates being prepaid, the Principal Component due evidenced and represented by the Certificates, the numbers of the Certificates or portions thereof to be prepaid and the Principal Payment Dates of the Certificates to be prepaid. Such notice also shall state that the interest evidenced and represented by the Certificates designated for prepayment shall cease to accrue from and after such Prepayment Date, and that on such date there will become due and payable with respect to each of such Certificates the Prepayment Price of such Certificate to be prepaid, and interest, if any, accrued thereon to the Prepayment Date. Such notice shall require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment notice.

In the case of an optional or extraordinary prepayment, such prepayment is conditioned on the receipt by the Trustee of sufficient funds for such prepayment. If the Trustee does not receive funds sufficient to carry out a prepayment, the prepayment notice may be rescinded by further notice given to the Owners of the affected Certificates. A notice of optional or extraordinary prepayment may state that the State retains the right to rescind the notice and the related prepayment by giving a notice of rescission to the affected Owners at any time prior to the scheduled prepayment date.

(g) Effect of Prepayment. If notice of prepayment has been duly given as aforesaid, and money sufficient for the payment of the Prepayment Price is held by the Trustee, the Certificates so called for prepayment shall, on the Prepayment Date designated in such notice, become due and payable at the Prepayment Price specified in such notice. From and after such date interest on the Certificates so called for prepayment shall cease to accrue, such Certificates shall cease to be entitled to any lien, benefit or security hereunder or under the applicable Master Financing Agreement, and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price evidenced thereby, which money is hereby pledged to such payment.

## ARTICLE V

### STATE PAYMENTS; FUNDS AND ACCOUNTS; INVESTMENTS

Section 5.01 State Payments Held in Trust. The State Payments are hereby irrevocably pledged and shall be applied to pay the Principal Component and Interest Component evidenced and represented by the Certificates when due, and shall not be used or applied for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on and security interest in the State Payments for the benefit of the Owners of the Certificates.

All State Payments shall be paid directly by the State Treasurer to the Trustee. All State Payments shall be immediately deposited by the Trustee in the Certificate Fund as provided in Section 5.02, whereupon they shall be applied to the payment or prepayment, as appropriate, of Certificates, but if for any reason not so applied, held in trust by the Trustee in such fund for the benefit of the Owners.

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Section 5.02 Deposit of State Payments. The Trustee agrees to establish, maintain and hold in trust the “State of Washington Certificates of Participation, Series #1# Certificate Fund” (the “Certificate Fund”) for so long as any Certificates remain Outstanding. The Trustee may create subaccounts within the Certificate Fund. The Trustee shall deposit all State Payments in the Certificate Fund, and the money in each such fund shall be disbursed only for the authorized purposes in the order of priority as set forth below.

(a) Interest. On each Interest Payment Date, the amount evidencing the Interest Component due on such Interest Payment Date, shall be used to pay the interest evidenced and represented by the Certificates on such Interest Payment Date.

(b) Principal. On each Principal Payment Date, the amount evidencing the Principal Component due on such Principal Payment Date shall be used to pay the principal evidenced and represented by the Certificates on such Principal Payment Date.

(c) Prepayment. The Principal Component at the Prepayment Price (and related payments of the Interest Component, if any) shall be used to pay the Prepayment Price evidenced and represented by Certificates prepaid on a Prepayment Date pursuant to Section 4.01.

Section 5.03 Application of Insurance Proceeds and Eminent Domain Awards. Under the terms of the Agency Financing Leases, the net proceeds of any casualty insurance with respect to any of the Property, if received by the State or any Agency, are required to be immediately paid to the Trustee and applied as provided in this Section 5.03. Not later than 90 days after payment of such proceeds to the Trustee, the respective Agency shall notify the Trustee in writing as to whether or not it elects to repair or replace such Property. If the Agency elects to repair or replace such Property, such amounts shall be disbursed by the Trustee, at the written direction of the respective Agency, to pay the costs of such repair or replacement. The Trustee has no duty or obligation to confirm that such requested disbursements are for a permitted purpose. If the Agency elects not to repair or replace the property damaged, destroyed or taken, or if the Agency fails to so notify the Trustee as to whether or not the Agency elects to repair or replace such Property, the Trustee shall transfer all such amounts to the Certificate Fund and apply such amounts to the prepayment of Outstanding Certificates pursuant to Section 4.01 at the earliest Prepayment Date. Any eminent domain award, the proceeds of any sale under threat of condemnation, and the net proceeds of any title insurance in connection with a loss of title with respect to any Property, if received by the State or any Agency, shall immediately be paid to the Trustee. The Trustee shall transfer all such amounts to the Certificate Fund and apply such amounts to the prepayment of Outstanding Certificates pursuant to Section 4.01(c) at the earliest Prepayment Date. To the extent that such amounts are not sufficient, in whole or in part, to prepay Principal Components evidenced and represented by the Certificates in Authorized Denominations, such amounts shall be applied to provide for the payment thereof pursuant to Section 10.01(b).

Section 5.04 Investment of Money. All money in the Certificate Fund shall be held by the Trustee uninvested or, at the written direction of the State Treasurer, in Qualified Investments, maturing not later than the date on which such money will be required for the purposes specified in this Trust Agreement. The Trustee may rely on the investment instructions

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of the State Treasurer as to the suitability and legality of the instructed investments, and the Trustee shall not be responsible for losses incurred in making investments in accordance with the State Treasurer's investment instructions.

The State Treasurer and the Corporation acknowledge that to the extent that regulations of the Comptroller of the Currency, or any other regulatory entity, grant the State Treasurer and the Corporation the right to receive brokerage confirmations of the security transactions as they occur, the State Treasurer and the Corporation specifically waive receipt of such confirmations to the extent permitted by law.

All interest and other income received from the investment of money in the Certificate Fund shall be deposited in such fund. For the purpose of determining the amount in any fund or account, all Qualified Investments shall be valued at the lesser of cost or par value.

The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell or present for redemption any Qualified Investments so purchased whenever it shall be necessary to provide money to meet any required payment or disbursement from the fund or account to which such Qualified Investment is credited.

The Trustee may elect, but shall not be obligated, to credit the Certificate Fund with money representing income or principal payments due on, or sale proceeds due in respect of, Qualified Investments in the Certificate Fund, or to credit to Qualified Investments intended to be purchased with such money, in each case before actually receiving the requisite money from the payment sources, or to otherwise advance funds for account transactions. The State Treasurer and the Corporation acknowledge that the legal obligation to pay the purchase price of any Qualified Investments arises immediately at the time of purchase. Notwithstanding anything else in this Trust Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Trust Agreement shall constitute a waiver of any of Trustee's rights as a securities intermediary under RCW 62A.9A-206.

Section 5.05 Non-Presentation of Certificates. In the event that any Certificates shall not be presented for payment when the principal or Prepayment Price evidenced and represented thereby becomes due, either at a Principal Payment Date, Prepayment Date or otherwise, if money sufficient to pay such principal or Prepayment Price shall have been deposited in the Certificate Fund, as applicable, all liability of the Trustee and the State to the Owner thereof for payment with respect to such Certificate shall cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such money, subject to Section 10.02, without liability for interest thereon, for the benefit of the Owner of such Certificate who shall thereafter be restricted exclusively to such money.

Section 5.06 Repayment to State Treasurer. When there are no longer any Certificates Outstanding, and all fees and expenses of the Trustee have been paid or provided for, the Trustee shall pay to the State Treasurer any amounts remaining in the Certificate Fund.

## ARTICLE VI

COVENANTS OF THE CORPORATION,  
THE STATE AND THE TRUSTEE; LIMITED LIABILITY

Section 6.01 Compliance with and Amendment of Master Financing Agreements. The Corporation, the State and the Trustee will comply with and perform the covenants and terms contained in the Master Financing Agreements required to be complied with and performed by each of them, and the Trustee will, to the extent required hereunder, enforce such agreement against the State in accordance with its terms.

The State will not amend the Master Financing Agreements without the prior written consent of the Trustee. Such consent of the Trustee shall be given only (i) if the Trustee receives an Opinion of Counsel to the effect that such amendments will not have a material adverse effect on the interests of the Owners of the Certificates or (ii) if the Trustee first obtains the written consent of the Owners of a majority in aggregate Principal Component evidenced and represented by the Certificates then Outstanding to such amendments; provided, that no such amendment shall reduce the amount or extend the time for payment of any State Payment without the prior written consent of the Owners of the Certificates evidencing and representing any portion thereof.

Section 6.02 Other Liens. The Corporation, the State and the Trustee will not create any pledge of, lien on or security interest in the State Payments other than the pledge and lien hereof and security interest hereunder.

Section 6.03 Accounting Records and Statements. The Trustee shall permit representatives of the State Treasurer, an auditor selected by the State, or the State Auditor or their authorized agents to examine the records of the Trustee relating to the services rendered under this Trust Agreement.

Any audits conducted under this Section 6.03 that do not necessitate the compilation of records in addition to those which are otherwise required by other sections of this Trust Agreement may be conducted without notice. Any audits conducted under this Section 6.03 that require the compilation of records in addition to those which are otherwise required by this Trust Agreement may be conducted upon 10 Business Days' written notice from the State to the Trustee. The State shall bear the cost of conducting audits conducted under this Section 6.03, except that the Trustee shall bear all costs and expenses of any audits conducted as a result of the Trustee's breach of any provision of this Trust Agreement.

The provisions of this Section 6.03 shall remain in effect for three years after the expiration, or sooner termination, of the term of this Trust Agreement. If any litigation, claim or audit is started before the expiration of the three year period, the records shall be retained until one year following the termination of such litigation, claim, or audit, including any appeals thereto.

The Trustee shall maintain all books, records, documents, data and other evidence relating to this Trust Agreement and performance of the services described herein. The Trustee

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shall retain such records for a period of six years following the date of final payment. If any litigation, claim or audit is started before the expiration of the six year period, the records shall be retained the longer of either one year following the termination of said litigation, claim or audit, including all appeals or six years from the date of final payment under this Trust Agreement.

At least semiannually and otherwise upon request, the Trustee shall provide to the State Treasurer a statement showing the receipts, investment, deposits, application and disbursements of the amounts in the Certificate Fund.

Section 6.04 Recording and Filing. The Trustee, upon receipt of a written request of the State, shall execute, and the State shall file, record, register, renew, refile and rerecord, all such documents, including but not limited to the Site Leases, the Master Financing Agreements, the Agency Financing Agreements and the Master Assignment[s], **[CHANGE DEPENDING ON IF EQUIPMENT, RE OR COMBINED]** as may be required by law in order to maintain a security interest in the State Payments, all in such manner, at such times and in such places as may be required and to the extent permitted by law in order to fully perfect, preserve and protect the security of the Owners and the rights and interests of the Trustee; *provided, however*, that the Trustee will not be required to execute a special or general consent to service of process, or to qualify as a foreign corporation in connection with any such filing, recording, registration, refiling or rerecording in any jurisdiction in which it is not now so subject, nor will the Trustee be responsible for determining sufficiency of such filing, recording, registration, refiling or rerecording.

Section 6.05 No Liability by the Corporation to the Owners. Except for the observance and performance of the agreements and covenants required to be observed and performed by it contained herein, the Corporation shall not have any obligation or liability to the Owners with respect to this Trust Agreement, or the payment when due of the State Payments by the State, or with respect to the observance or performance by the State of the other agreements and covenants required to be observed and performed by the State contained in the Master Financing Agreements or herein, or with respect to the delivery or transfer of the Certificates or the disbursement of the State Payments by the Trustee to the Owners, or with respect to the observance or performance by the Trustee of any covenants, terms or obligations required to be performed or observed by it in this Trust Agreement.

Section 6.06 No Liability by the State to the Owners. Except for the payment when due of the State Payments and the observance and performance of the other agreements and covenants required to be observed and performed by it contained in the Master Financing Agreements and herein, the State shall not have any obligation or liability to the Owners with respect to this Trust Agreement, or the delivery or transfer of the Certificates or the disbursement of the State Payments by the Trustee to the Owners, or with respect to the observance or performance by the Trustee of any agreements, covenants, terms or obligations required to be observed or performed by it in this Trust Agreement.

Section 6.07 No Liability by the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the State Payments by the State, with respect to the observance or



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performance by the State of the other agreements and covenants required to be observed and performed by it contained in the Master Financing Agreements or herein or with respect to the observance or performance by the Corporation of the agreements and covenants required to be observed and performed by it contained in this Trust Agreement.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.01 Events of Default; Remedies; Waiver. If an Event of Default shall occur and be continuing, then such Event of Default shall constitute a default hereunder, and during the continuance of such Event of Default, the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate Principal Component evidenced and represented by the Certificates then Outstanding and receipt of indemnity against anticipated expenses and liability to its satisfaction (which indemnity is a condition precedent to its duties hereunder), shall, in its own name and as the Trustee of an express trust take any or all of the following actions:

(a) by mandamus or other action or proceeding or suit, action or proceeding at law or in equity, enforce all rights against the State and to compel the State to perform its duties under the Master Financing Agreements, the Agency Financing Agreements and this Trust Agreement;

(b) by suit in equity upon the happening of any Event of Default to require the State or any Agency and its officers and employees to account as the trustee of an express trust; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Trustee or Owners of Certificates.

In no event shall the Trustee have the right to accelerate the Certificates or the State Payments.

The Trustee may, in its discretion, waive any Event of Default and its consequences and annul any notice thereof by written notice to the State Treasurer to such effect, and thereupon the respective rights of the Parties hereunder shall be as they would have been if such Event of Default had not occurred. A waiver of any Event of Default by the Trustee shall not affect any subsequent default or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy upon any default shall impair any such right or remedy or shall be construed to be a waiver of any such default and every right conferred upon the Trustee by law or by this Article may be exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the Trustee, the Corporation and the State Treasurer shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

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Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 7.02 Application of Money. If an Event of Default shall have occurred and be continuing, all money received by the Trustee shall be applied, first, to the payment of the reasonable fees, costs and expenses incurred by the Trustee in connection with such default (including but not limited to the reasonable fees and expenses of its counsel and agents) and the creation of a reasonable reserve for anticipated fees, costs and expenses; second, to the payment of the Interest Components evidenced and represented by the Certificates accrued to the date of application thereof pro rata among the Owners entitled thereto; third, to the payment of the Principal Components evidenced and represented by the Certificates and the Prepayment Price, if any, then due pro rata among the Owners entitled thereto; and fourth, when no Certificates remain Outstanding, to pay or reimburse the State for its costs and expenses, including reasonable attorneys' fees, incurred in connection with the Certificates, the Master Financing Agreements, the Agency Financing Agreements and this Trust Agreement.

Section 7.03 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust.

Section 7.04 Limitation on Actions by Owners. The Owners of not less than a majority in aggregate Principal Component evidenced and represented by the Certificates then Outstanding shall have the right to direct the method and place of conducting any proceeding or remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, hereunder or under the Master Financing Agreement in connection with the enforcement of the covenants, agreements, terms and conditions hereof and thereof; provided, that any such direction shall not be contrary to law, this Trust Agreement or the Master Financing Agreement, and is not unduly prejudicial to the interest of the Owners not joining in such direction; and *provided further*, that the Trustee may take any other action which it deems necessary or appropriate and not inconsistent with such direction.

No Owner shall have the right to institute any action, suit or proceeding for the enforcement hereof or the Master Financing Agreements, or to pursue any remedy available hereunder or under the Master Financing Agreements unless:

- (a) the Trustee shall have been given written notice of an Event of Default by such Owner;
- (b) the Owners of at least a majority in aggregate Principal Component evidenced and represented by the Certificates then Outstanding respecting which there has been an Event of Default shall have requested the Trustee, in writing, to exercise the powers granted

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by this Trust Agreement or the Master Financing Agreements, or to institute such action, suit or proceeding, or to pursue such remedy in it or their name or names;

(c) the Trustee shall have been offered indemnity satisfactory to it against its costs, expenses and liabilities in connection therewith; and

(d) the Trustee shall have failed to comply with such request within 60 days, or such shorter period as shall be reasonable under the circumstances.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Appointment of Trustee; Duties and Liabilities. The Corporation and the State Treasurer appoint U.S. Bank National Association as the Trustee to receive, deposit and disburse the State Payments, to execute, deliver and transfer the Certificates, and to perform the other functions and responsibilities set forth herein. By executing and delivering this Trust Agreement, the Trustee hereby accepts such appointment. The Trustee agrees to be responsible to the State, the Corporation and the Owners for its own acts and/or omissions and those of its officers, employees and agents including but not limited to claims or lawsuits brought by third parties resulting from such acts or omissions.

Prior to an Event of Default hereunder and after the curing of all Events of Default which may have occurred,

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee.

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Trust Agreement; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee the Trustee shall be under a duty to examine the same to determine whether or not it conforms on its face to the requirements of this Trust Agreement.

If any Event of Default under this Trust Agreement shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs.

At all times, regardless of whether or not any Event of Default shall exist,

(1) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less

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than a majority, or such other percentage as may be required hereunder, in aggregate Principal Component evidenced and represented by the Certificates at the time Outstanding, relating to Events of Default and remedies.

(2) Any action of the State Treasurer referred to herein shall be sufficiently evidenced by an instrument signed in the name of the State Treasurer by a Treasurer Representative.

(3) The Trustee makes no representation as to the validity or sufficiency of this Trust Agreement or of the Master Financing Agreements or of the assignment of the right to receive State Payments or of the Certificates. The Trustee shall not be accountable for the use or application by the Corporation or the State of the proceeds of any of the Certificates.

(4) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners of Certificates and not in its individual capacity, and all Persons, including, without limitation, the Owners, having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced and represented by the Certificates.

(5) The Trustee makes no representation or warranty as to the title, value, design, compliance with specification or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the State or the Agencies of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Master Financing Agreements or this Trust Agreement or for the existence, lease or use of the Property.

(6) The Trustee shall not be deemed to have knowledge of any default or Event of Default, except for the failure by the State to timely make any State Payments, unless and until an officer at the Trustee's corporate trust offices responsible for the administration of its duties hereunder shall have actual knowledge thereof or has received written notice thereof.

(7) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal of and interest on the Certificates as they become due whenever required by the Trust Agreement, the Trustee may require that a satisfactory indemnity certificate be furnished by the Owners of the related Certificates for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, laws or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

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(8) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any official statement or other disclosure material prepared or distributed with respect to the issuance of Certificates.

(9) The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions. The State and the Corporation agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 8.02 Compensation of Trustee. The State shall pay the Trustee for its services as set forth in a written agreement between the State and the Trustee; provided, however, that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although it may take whatever legal actions are lawfully available to it directly against the State. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.03 Qualifications of Trustee. There shall at all times be a Trustee hereunder which shall either be (a) the fiscal agency of the State selected pursuant to chapter 43.80 RCW or (b) a bank, trust company or national association organized and doing business under the laws of the United States of America or of a state thereof, authorized under such laws to exercise corporate trust powers.

Section 8.04 Resignation and Removal of Trustee and Appointment of Successor Trustee. The State may replace the Trustee at any time for any reason by giving 60 calendar days' written termination notice to the Trustee. The State may, by written notice stating the date of termination, replace the Trustee for breach of any of the terms herein, and to retain all other rights against the Trustee by reason of the Trustee's breach as provided by law. The Trustee may propose the substitution of another qualified organization to act as Trustee under this Agreement in the event of a merger or acquisition involving the Trustee, provided that the proposed successor Trustee can meet all required terms of this Agreement and the State is given written notice by the Trustee, not less than 60 calendar days prior to the effective date of such merger or acquisition.

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In case at any time either of the following shall occur:

(1) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.03 and shall fail to resign after written request therefor by the State Treasurer or by the majority of Owners, or

(2) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation

then the State Treasurer or the Owners of a majority in aggregate Principal Component evidenced and represented by the Certificates at the time Outstanding may remove the Trustee and appoint a successor Trustee by an instrument or concurrent instruments in writing signed by the State Treasurer or such Owners, as the case may be.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this section shall become effective upon acceptance of appointment by the successor Trustee, as provided in Section 8.05. Anything herein to the contrary notwithstanding, the State Treasurer may not remove the Trustee without cause if an Event of Default shall have occurred and be continuing.

Section 8.05 Acceptance of Trust by Successor Trustee. Any successor Trustee appointed as provided in Section 8.04 shall deliver to the State Treasurer and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, shall become vested with all the rights and obligations in the trusts hereunder, with like effect as if originally named as Trustee. Upon request of any such successor Trustee, the State Treasurer and the Corporation shall execute any document necessary or desirable to vest in and confirm to such successor Trustee all such rights, powers and duties.

Upon acceptance of appointment by a successor Trustee as provided in this section, the State Treasurer or such successor Trustee shall provide notice as set forth in the Disclosure Agreement.

## ARTICLE IX

### AMENDMENT OR SUPPLEMENT OF TRUST AGREEMENT

Section 9.01 Amendment or Supplement; Consents. This Trust Agreement and the rights and obligations of the State, the Owners and the Trustee hereunder may be amended or supplemented at any time as provided in Appendix 1. No such amendment or supplement shall (1) extend the stated Principal Payment Date of any Certificate, or reduce the rate of interest evidenced and represented thereby, or extend the time of payment of such interest, or reduce the amount of the Principal Component evidenced and represented thereby, or reduce any Prepayment Price evidenced and represented thereby, without the prior written consent of the Owner of the Certificate so affected; (2) reduce the percentage of Owners whose consent is

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required for the execution of any amendment hereof or supplement hereto; or (3) modify any of the rights or obligations of the Trustee without its prior written consent.

Section 9.02 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment to the particular Certificates held by it.

ARTICLE X

DISCHARGE AND DEFEASANCE

Section 10.01 Discharge of Trust Agreement; Defeasance of Certificates.

(a) Discharge of Trust Agreement. When the obligations of the State under the Master Financing Agreements shall cease pursuant to Section 4.3 of the Master Financing Contract and Section 4.5 of the Master Financing Lease (except for the right of the Trustee and the obligation of the State to have the money and Government Obligations referenced therein applied to the payment of State Payments as therein set forth), then in that case the obligations created by this Trust Agreement shall cease, terminate, become void and be completely discharged except for the right of the Owners and the obligation of the Trustee to apply such money and Government Obligations to the payment of the Certificates as herein set forth and the right of the Trustee to collect any fees or expenses due or indemnities provided by Owners hereunder. The Trustee shall turn over to the State Treasurer, as an overpayment of State Payments, any surplus in the Certificate Fund and all balances remaining in any other funds or accounts other than money and Government Obligations held for the payment of the Certificates on the Principal Payment Dates or Prepayment Dates thereof, which money and Government Obligations shall continue to be held by the Trustee in trust for the benefit of the Owners and shall be applied by the Trustee to the payment, when due, of the principal, Prepayment Price and interest evidenced and represented by the Certificates, and after such payment, this Trust Agreement shall become void. The Trustee shall thereafter execute and deliver to the State such other documents and instruments as may be necessary or desirable, as requested by or on behalf of the State, to evidence such discharge and satisfaction of this Trust Agreement.

(b) Defeasance of Certificates. If money and/or Government Obligations maturing at such time(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments which shall be sufficient, together with any money initially deposited, to provide for the payment of the principal of and interest on all or a designated portion of the Certificates when due in accordance with their respective terms are set aside in a special fund (hereinafter called the “trust account”) to effect such payment, and are pledged irrevocably in accordance with a refunding or defeasance plan adopted by the State for the purpose of effecting such payment, then no further payments need be made into the Certificate Fund for the payment of principal of and interest on such Certificates, the Owners thereof shall cease to be entitled to any lien, benefit or security of this Trust Agreement, except the right to receive payment of the principal of and interest on such Certificates when due in accordance with their respective terms from the money and the principal and interest proceeds on the Government Obligations set aside in the trust account, and such Certificates shall no longer be deemed to be Outstanding hereunder.

**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

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Section 10.02 Unclaimed Money. Subject to any applicable State law (or applicable law of another state) with respect to abandoned property, any money held by the Trustee in trust for the payment and discharge of the principal, Prepayment Price or interest evidenced and represented by any of the Certificates which remain unclaimed for two years after the date when the principal, Prepayment Price or interest evidenced and represented by such Certificates have become payable, shall at the written request of the State Treasurer be repaid by the Trustee (without liability for interest) to the State Treasurer as its property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the State Treasurer for the payment of the principal, Prepayment Price or interest evidenced and represented by such Certificates.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys duly appointed in writing. The fact and date of the execution by any Owner or his or her attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he or she purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient. Any declaration, request, consent, direction or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the State Treasurer or the Trustee in good faith and in accordance therewith.

Section 11.02 Funds and Accounts. Any fund required to be established and maintained herein by the Trustee or the State Treasurer may be established and maintained in the accounting records of the Trustee or the State Treasurer, respectively, either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof, and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with prudent accounting practice and with due regard for the protection of the security of the Certificates and the right of the Owners.

Section 11.03 Effective Date. This Trust Agreement shall become effective upon its execution and delivery.



**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

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The Washington Finance Officers Association, the Office of the State Treasurer and U.S. Bank National Association, as Trustee, have caused this Trust Agreement to be executed and delivered by their duly authorized officers, respectively, all as of the day and year first above written.

WASHINGTON FINANCE OFFICERS  
ASSOCIATION

By \_\_\_\_\_  
Authorized Corporation Representative

STATE OF WASHINGTON  
OFFICE OF STATE TREASURER

By \_\_\_\_\_  
Treasurer Representative

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT A

[FORM OF CERTIFICATES]

**[REVISE THIS EXHIBIT AS APPROPRIATE BEFORE USING]**

No. R-\_\_

\$ \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the Owner hereof, Cede & Co., has an interest herein.

STATE OF WASHINGTON  
CERTIFICATE OF PARTICIPATION, SERIES #1# (\_\_\_\_\_) )  
Evidencing and Representing an Undivided Proportionate  
Interest of the Owner hereof in  
State Payments  
to be made by the  
STATE OF WASHINGTON

PRINCIPAL ORIGINAL DATED  
PAYMENT DATE: DATE: INTEREST RATE: CUSIP NO.:

\_\_\_\_\_ % \_\_\_\_\_

Owner: CEDE & CO.

Principal Component: \_\_\_\_\_ DOLLARS

The Owner named above, or registered assigns, of this Certificate of Participation (the “Certificate”), one of a series of Certificates of Participation, Series #1# (\_\_\_\_\_) (the “Certificates”), is the Owner of an undivided proportionate interest in the right to receive certain State Payments under the [Master Financing Contract, Series #1# (the “Master Financing Contract”) and the Master Financing Lease, Series #1# (the “Master Financing Lease, and collectively with the Master Financing Contract, the “Master Financing Agreement”),] each between the Washington Finance Officers Association (the “Corporation”), a nonprofit corporation organized under the laws of the State of Washington, and the State of Washington (the “State”), acting by and through the Office of State Treasurer (the “State Treasurer”) and certain State Agencies, all of which rights to receive such State Payments and other rights under the Master Financing Agreement have been assigned by the Corporation to U.S. Bank National Association, as Trustee (the “Trustee”).

The Owner is entitled to receive, on the Principal Payment Date specified above, the principal amount specified above representing a portion of the State Payments designated as principal coming due on the Principal Payment Date, and to receive as interest thereon from the date of this Certificate or from

**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

the most recent date to which interest has been paid or duly provided for, whichever is later, payable on January 1 and July 1 of each year, commencing \_\_\_\_\_, 20\_\_ (each, an “Interest Payment Date”). The Certificates shall be executed and delivered in the form of fully registered Certificates in denominations of \$5,000 and any integral multiple thereof. If this Certificate is duly presented for payment and not paid on such applicable date then interest shall continue to accrue at the Interest Rate per annum set forth above until this Certificate is paid.

Both principal of and interest on this Certificate shall be paid in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the “Letter of Representations”) by the State to The Depository Trust Company (“DTC”). Principal shall be paid as provided in the Letter of Representations to the Owner upon presentation and surrender of this Certificate to the Trustee.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement (the “Trust Agreement”) by and among the Corporation, the Trustee and the State Treasurer, dated as of \_\_\_\_\_. All capitalized terms used but not defined herein, unless otherwise indicated by their context, shall have the meaning ascribed to such terms in the Trust Agreement. Copies of the Trust Agreement are on file at the corporate trust office of the Trustee, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the covenants and pledges securing the Certificates, for the rights and remedies of the Owners of the Certificates with respect thereto, the Trustee’s obligations to the Owners, and for the other terms and conditions upon which the Certificates are executed and delivered.

The Certificates with Principal Payment Dates on and after \_\_\_\_\_ 1, 20\_\_, are subject to prepayment prior to their respective stated Principal Payment Dates, as a whole or in part within one or more maturities selected by the State and randomly within a maturity in the manner as the Trustee shall determine within a Principal Payment Date if less than all of the Certificates due on such Principal Payment Date are prepaid) on any date on or after \_\_\_\_\_ 1, 20\_\_, upon the exercise by the State at the direction of any Agency, of its option to prepay the Principal Components evidenced and represented by such Certificates, at par, plus accrued interest, to the Prepayment Date. Under certain circumstances described in the Master Financing Agreement and the Trust Agreement, the Certificates are subject to extraordinary mandatory prepayment. Notice of any prepayment shall be as specifically set forth in the Trust Agreement.

**[ADD MANDATORY REDEMPTION, IF ANY]**

THIS CERTIFICATE SHALL NOT CONSTITUTE A DEBT OR A GENERAL OBLIGATION OF THE STATE OF WASHINGTON OR OF ANY STATE AGENCY, THE CONTRACTING OF AN INDEBTEDNESS BY THE STATE OR BY ANY STATE AGENCY, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY STATE AGENCY, FOR PURPOSES OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON DEBT OR THE CONTRACTING OF INDEBTEDNESS. THIS CERTIFICATE REPRESENTS AN UNDIVIDED PROPORTIONATE INTEREST IN STATE PAYMENTS TO BE MADE UNDER THE MASTER FINANCING AGREEMENT. THE STATE PAYMENTS TO BE MADE UNDER THE MASTER FINANCING AGREEMENT ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED THEREIN, AND MAY BE SUBJECT TO TERMINATION UPON THE OCCURRENCE OF CERTAIN OTHER EVENTS SPECIFIED IN THE MASTER FINANCING AGREEMENT. THE OBLIGATION OF THE STATE TO MAKE AGENCY PAYMENTS, BOTH FOR STATE AGENCY PROPERTY AND ON BEHALF OF LOCAL AGENCIES FOR LOCAL AGENCY PROPERTY, IS SUBJECT TO APPROPRIATION AND TO EMERGENCY REDUCTION IN FUNDING UNDER

**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

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CERTAIN CIRCUMSTANCES, ALL AS SET FORTH IN THE MASTER FINANCING AGREEMENT.

The Owner of this Certificate shall have no right to enforce the provisions of the Trust Agreement or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Agreement, except as provided in the Trust Agreement.

The State and the Trustee may treat the Owner of this Certificate as the owner for all purposes, and neither the State, nor the Trustee shall be affected by notice to the contrary.

The Trust Agreement prescribes the manner in which the Certificates may be defeased.

THE STATE TREASURER HAS CERTIFIED that all acts and conditions required by law and the Trust Agreement have happened and to have been performed, precedent to and in connection with the execution and delivery of this Certificate, have happened and have been performed, and that the Trustee is authorized to execute and deliver this Certificate.

SAMPLE

**Agreement for Fiscal Agency Services  
Attachment C-1 – Trust Agreement**

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee as of the date below.

REGISTRATION DATE:

U.S. BANK NATIONAL ASSOCIATION  
As Trustee

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

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Certificate and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_ By \_\_\_\_\_

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: \_\_\_\_\_ Social Security Number, Taxpayer Identification Number or Other Identifying Number of Assignee: \_\_\_\_\_

NOTICE: Signature must be guaranteed by an eligible guarantor institution.

**Agreement for Fiscal Agency Services  
Attachment C-2 – Master Assignment (Personal Property)**

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**MASTER ASSIGNMENT, SERIES #1#  
(Personal Property)**

by and between the

**WASHINGTON FINANCE OFFICERS ASSOCIATION**

and

**U.S. BANK NATIONAL ASSOCIATION,**

as Trustee

Relating to

\$ \_\_\_\_\_  
State of Washington  
Certificates of Participation, Series #1#  
(\_\_\_\_\_)

Dated as of \_\_\_\_\_, 20\_\_

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**Agreement for Fiscal Agency Services  
Attachment C-2 – Master Assignment (Personal Property)**

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**MASTER ASSIGNMENT, SERIES #1#  
(Personal Property)**

This Master Assignment, Series #1# (Personal Property) (the “Master Assignment”), is entered into as of \_\_\_\_\_, 20\_\_ (the “Dated Date”), by and between the Washington Finance Officers Association, a Washington nonprofit corporation (the “Corporation”), and U.S. Bank National Association (the “Trustee”), a national banking association duly organized and existing under the laws of the United States, as Trustee under the Trust Agreement (as defined below).

RECITALS

The Parties are entering into this Master Assignment based upon the following facts and expectations:

1. Chapter 39.94 RCW (the “Act”) authorizes the State to enter into financing contracts for itself, including for state agencies, departments or instrumentalities, the state board for community and technical colleges, and any state institution of higher education (“State Agencies”), for the use and purchase of real and personal property by the State; and

2. the Act also authorizes the State to enter into financing contracts on behalf of certain “other agencies” (“Local Agencies,” and, together with State Agencies, the “Agencies”) for the use and acquisition for public purposes of real and personal property by such Local Agencies; and

3. the State Treasurer on behalf of the State Finance Committee has established a consolidated program for the execution and delivery of certificates of participation in master financing contracts in series from time to time in order to provide financing or refinancing for the costs of acquisition of such real and personal property by Agencies; and

4. the Corporation and the State, acting by and through the State Treasurer, have entered into a Master Financing Contract, Series #1#, dated as of the Dated Date (the “Master Financing Contract”), pursuant to which the Corporation has sold certain personal property more particularly described in the Master Financing Contract (the “Property”) to the State; and

5. pursuant to the Master Financing Contract, the State is obligated to make Installment Payments to the Corporation for the purchase of the Property; and

**Agreement for Fiscal Agency Services  
Attachment C-2 – Master Assignment (Personal Property)**

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6. simultaneously with the execution of the Master Financing Contract, the State is entering into Agency Financing Contracts with certain Agencies to provide financing or refinancing for the costs of acquisition of certain items of the Property for such Agencies; and

7. the Corporation desires to grant, sell, assign, transfer and convey without recourse to the Trustee all of its rights to receive the Installment Payments scheduled to be made by the State under and pursuant to the Master Financing Contract, and all of its remaining right, title and interest in, to and under the Master Financing Contract, the Agency Financing Contracts and the Property; and

8. in consideration of such assignment and pursuant to the Trust Agreement, Series #1# (the “Trust Agreement”), dated as of the Dated Date, by and among the Trustee, the State Treasurer and the Corporation, the Trustee has agreed to execute and deliver the State of Washington Certificates of Participation, Series #1# (\_\_\_\_\_), in an aggregate principal amount of \$\_\_\_\_\_ (the “Certificates”) that evidence and represent the Principal Components and Interest Components of Installment Payments payable by the State under the Master Financing Contract to generate proceeds to be used to finance or refinance the Acquisition Costs of the Property;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties agree as follows:

SECTION 1. Definitions; Construction; Miscellaneous Provisions; Supplements. Appendix 1 to the Series #1# Agreements (“Appendix 1”) is incorporated as part of this Master Assignment by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Master Assignment; (ii) certain rules for interpreting this Master Assignment; (iii) miscellaneous technical provisions that apply to this Master Assignment; and (iv) rules on how this Master Assignment may be amended or supplemented.

SECTION 2. Assignment. The Corporation, for good and valuable consideration, the receipt of which is acknowledged, unconditionally grants, sells, assigns, transfers and conveys to the Trustee, without recourse, (i) all of its rights to receive the Installment Payments under the Master Financing Contract and Agency Installment Payments under the Agency Financing Contracts, (ii) all of its remaining right, title and interest in, to and under the Master Financing Contract, the Agency Financing Contracts and the Property (including any security interest therein), including but not limited to its right to take all actions and exercise all remedies under and pursuant to the Master Financing Contract and the Agency Financing Contracts.

SECTION 3. Acceptance. The Trustee accepts the foregoing grant, sale, assignment, transfer and conveyance for the benefit of the Owners of the Certificates, subject to the



**Agreement for Fiscal Agency Services  
Attachment C-2 – Master Assignment (Personal Property)**

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conditions and terms of the Trust Agreement, and all such Installment Payments shall be applied and all of such right, title and interest shall be exercised by the Trustee as provided in the Trust Agreement. The Trustee agrees to perform and observe all of the terms, conditions, covenants and agreements under the Master Financing Contract from and after the Dated Date.

SECTION 4. Acknowledgement. The Trustee and the Corporation acknowledge and agree that (i) this grant, sale, assignment, transfer and conveyance by the Corporation is intended to be a true sale of the Corporation's right, title and interest in, to and under the Master Financing Contract, the Agency Financing Contracts and in and to the Property; (ii) the Corporation shall hereafter cease to have any rights, duties or obligations under the Master Financing Contract or with respect to the Property; (iii) the Trustee shall hereafter have all the rights, duties and obligations of the Corporation thereunder as if the Trustee had been the original party thereto; and (iv) every reference in the Master Financing Contract to the Corporation shall be deemed and construed to refer to the Trustee, except where the context otherwise requires.

SECTION 5. Conditions. This Master Assignment shall confer no rights and shall impose no obligations upon the Trustee other than those expressly provided in the Trust Agreement.

**Agreement for Fiscal Agency Services  
Attachment C-2 – Master Assignment (Personal Property)**

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IN WITNESS WHEREOF, the Parties have executed and entered into this Master Assignment by their duly authorized officers as of the Dated Date.

WASHINGTON FINANCE OFFICERS  
ASSOCIATION

By \_\_\_\_\_  
Authorized Corporation Representative

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Its \_\_\_\_\_

SAMPLE

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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Recording Requested by and Return To:  
WASHINGTON FINANCE OFFICERS  
ASSOCIATION  
c/o Foster Garvey P.C.  
1111 Third Avenue, Suite 3000  
Seattle, Washington 98101  
Attn: William G. Tonkin

**Document Title(s)  
(or transactions contained therein):** MASTER ASSIGNMENT, SERIES #1#  
(Real Property)

**Assignor:** Washington Finance Officers Association

**Assignee:** U.S. Bank National Association

**Abbreviated Legal Description:**

**Full Legal Description** See Exhibit B

**Assessor's Tax Parcel ID No.**

**Reference number(s) of related/  
assigned/released/document(s):** \_\_\_\_\_

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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**MASTER ASSIGNMENT, SERIES #1#  
(Real Property)**

by and between the

**WASHINGTON FINANCE OFFICERS ASSOCIATION**

and

**U.S. BANK NATIONAL ASSOCIATION,**

as Trustee

Relating to

\$ \_\_\_\_\_

**State of Washington  
Certificates of Participation, Series #1#**

( \_\_\_\_\_ )

Dated as of \_\_\_\_\_, 20\_\_

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**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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**MASTER ASSIGNMENT, SERIES #1#  
(Real Property)**

THIS MASTER ASSIGNMENT, SERIES #1# (the “Master Assignment”), is entered into as of \_\_\_\_\_, 20\_\_ (the “Dated Date”), by and between the Washington Finance Officers Association, a Washington nonprofit corporation (the “Corporation”), and U.S. Bank National Association (the “Trustee”), a national banking association duly organized and existing under the laws of the United States, as Trustee under the Trust Agreement (as defined below).

RECITALS

The Parties are entering into this Master Assignment based upon the following facts and expectations:

1. Chapter 39.94 RCW (the “Act”) authorizes the State to enter into financing contracts for itself, including for state agencies, departments or instrumentalities, the state board for community and technical colleges, and any state institution of higher education (defined in Appendix 1 as “State Agencies”), for the use and purchase of real and personal property by the State; and
2. the Act also authorizes the State to enter into financing contracts on behalf of certain “other agencies” (defined in Appendix 1 as “Local Agencies,” and, together with State Agencies, the “Agencies”) for the use and acquisition for public purposes of real and personal property by such Local Agencies; and
3. the State Treasurer on behalf of the State Finance Committee has established a consolidated program for the execution and delivery of certificates of participation in master financing contracts in series from time to time in order to provide financing or refinancing for the costs of acquisition of such real and personal property by Agencies; and
4. the Corporation intends to assist the Agencies set forth in Exhibit A in the financing or refinancing of the acquisition or construction of improvements (collectively, the “Projects”) of certain parcels of real property as set forth in Exhibit B (collectively, the “Sites”), pursuant to the Act, by entering into Site Leases with those Agencies (collectively, the “Site Leases”) for the sole purpose of enabling the Corporation to sublease the Sites and the Projects (together, the “Property”) to the State; and
5. the Corporation and the State, acting by and through the State Treasurer, have entered into a Master Financing Lease, Series #1#, dated as of the Dated Date (the “Master

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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Financing Lease”), pursuant to which the Corporation has subleased the Property to the State; and

6. pursuant to the Master Financing Lease, the State is obligated to make Rent Payments (as defined in Appendix 1) to the Corporation for the sublease of the Property; and

7. simultaneously with the execution of the Master Financing Lease, the State is entering into Agency Financing Leases with the Agencies, pursuant to which the Agencies have further subleased the Property from the Corporation or the State; and

8. the Corporation desires to grant, sell, assign, transfer and convey without recourse to the Trustee all of its rights to receive the Rent Payments scheduled to be made by the State under and pursuant to the Master Financing Lease, and all of its remaining right, title and interest in, to and under the Site Leases, the Master Financing Lease, the Agency Financing Leases and the Property; and

9. in consideration of such assignment and pursuant to the Trust Agreement, Series #1# (the “Trust Agreement”), dated as of the Dated Date, by and among the Trustee, the State Treasurer and the Corporation, the Trustee has agreed to execute and deliver the State of Washington Certificates of Participation, Series #1# (\_\_\_\_\_), in an aggregate principal amount of \$ \_\_\_\_\_ (the “Certificates”), evidencing and representing the Principal Components and Interest Components of Rent Payments payable by the State under the Master Financing Lease, for the purpose of generating proceeds to be used to finance or refinance the Project Costs of the Projects;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties agree as follows:

SECTION 1. Definitions; Construction; Miscellaneous Provisions; Supplements. Appendix 1 is incorporated as part of this Master Assignment by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Master Assignment; (ii) certain rules for interpreting this Master Assignment; (iii) miscellaneous technical provisions that apply to this Master Assignment; and (iv) rules on how this Master Assignment may be amended or supplemented.

SECTION 2. Assignment. The Corporation, for good and valuable consideration, the receipt of which is acknowledged, unconditionally grants, sells, assigns, transfers and conveys to the Trustee, without recourse (i) all of its rights to the Sites under the Site Leases; (ii) all of its rights to receive the Rent Payments and any Additional Rent under the Master Financing Lease and Agency Rent Payments and Additional Rent under the

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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Agency Financing Leases; (iii) its right to take all actions, exercise all remedies, and give all consents under and pursuant to the Site Leases, the Master Financing Lease and the Agency Financing Leases; (iv) all of its remaining right, title and interest in, to and under the Site Leases, the Master Financing Lease, the Agency Financing Leases and the Property and any rents or profits generated therefrom; and (v) its right of access more particularly described in the Master Financing Lease.

SECTION 3. Acceptance. The Trustee accepts the foregoing grant, sale, assignment, transfer and conveyance for the benefit of the Owners of the Certificates, subject to the conditions and terms of the Trust Agreement, and all such Rent Payments and Additional Rent shall be applied and all of such right, title and interest shall be exercised by the Trustee as provided in the Trust Agreement. The Trustee agrees to perform and observe all of the terms, conditions, covenants and agreements under the Site Leases, the Master Financing Lease and the Agency Financing Leases from and after the Dated Date.

SECTION 4. Acknowledgement. The Trustee and the Corporation acknowledge and agree that (i) this grant, sale, assignment, transfer and conveyance by the Corporation is intended to be a true sale of the Corporation's right, title and interest in, to and under the Site Leases, the Master Financing Lease, the Agency Financing Leases and in and to the Property; (ii) the Corporation shall hereafter cease to have any rights, duties or obligations under the Site Leases, the Master Financing Lease, the Agency Financing Leases or with respect to the Property; (iii) the Trustee shall hereafter have all the rights, duties and obligations of the Corporation thereunder as if the Trustee had been the original party thereto; and (iv) except where the context otherwise requires, every reference in the Site Leases, the Master Financing Lease and the Agency Financing Leases to the Corporation shall be deemed and construed to refer to the Trustee.

SECTION 5. Conditions. This Master Assignment shall confer no rights and shall impose no obligations upon the Trustee other than those expressly provided in the Trust Agreement.

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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IN WITNESS WHEREOF, the Parties have executed and entered into this Master Assignment by their duly authorized officers as of the Dated Date.

WASHINGTON FINANCE OFFICERS  
ASSOCIATION

By \_\_\_\_\_  
Authorized Corporation Representative

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Its \_\_\_\_\_

SAMPLE







**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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**Exhibit A**

**Agencies**

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**Agency**

**Transaction No.**

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SAMPLE

**Agreement for Fiscal Agency Services  
Attachment C-3 – Master Assignment (Real Property)**

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**Exhibit B**

**Full Legal Description**

**[Agency name], Transaction No.**

[legal description]

**[Agency name], Transaction No.**

[legal description]

SAMPLE

**APPENDIX 1 to  
Master Financing Contract  
Master Financing Lease  
Trust Agreement  
Master Assignment[s]  
Site Leases  
Agency Financing Leases  
Agency Financing Contracts  
Disclosure Agreement**

**PART 1.  
DEFINITIONS**

The following terms shall have the following meanings when used in this Series #1# Agreement:

***Acquisition Costs*** means all costs incurred by or on behalf of the Corporation, or by the State or any Agency, as agent of the Corporation, on, prior to or after the effective date of the Master Financing Contract in connection with the acquisition of the Property thereunder, and shall include, but not be limited to, (a) the cost of such Property (including, but not limited to, charges for installation, delivery, preparation, testing and similar charges); (b) the expenses of the Corporation, the State Treasurer and any Agency in connection with the acquisition of the Property, including but not limited to the Costs of Issuance; (c) any taxes, assessments and other charges, if any, payable in connection with the acquisition of the Property; and (d) any amounts required to reimburse the Corporation, the State Treasurer or any Agency for advances or payments made prior to the effective date of the Master Financing Contract for any of the above costs.

***Acquisition Fund*** means the accounting records maintained by the State Treasurer pursuant to the Trust Agreement and the Master Financing Contract within Account 739 for State Agencies and within Account 449 for Local Agencies to account for the receipt, investment and expenditure of proceeds of the Certificates on Acquisition Costs.

***Act*** means Chapter 365 of the Laws of Washington, 1989, codified as Chapter 39.94 RCW, as supplemented and amended.

***Additional Costs*** means all costs, expenses, insurance premiums, Impositions and other payments, including Administrative Fees and Expenses, that are the obligations of the State or the Agency pursuant to the terms of the Master Financing Contract or the Agency Financing Contract, as the case may be, that are not financed with proceeds of the Certificates and are incurred by the Corporation, the Trustee or the State Treasurer.

***Additional Financing Lease Agreements*** means, collectively, any Additional Local Agency Financing Lease, Additional State Agency Financing Lease, Additional Site Lease, Additional Master Financing Lease and Additional Master Assignment.

**Agreement for Fiscal Agency Services  
Attachment C-4 – COP Form Appendix**

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***Additional Local Agency Financing Lease*** means any future Local Agency Financing Lease entered into by a Local Agency for the purpose of financing additions, betterments and improvements to the Property pursuant to Section 2.2(d) of the Local Agency Financing Lease.

***Additional Master Assignment*** means any future Master Assignment relating to an Additional Master Financing Lease.

***Additional Master Financing Lease*** means any future Master Financing Lease entered into for the purpose of financing additions, betterments and improvements to the Property.

***Additional Rent*** means all costs, expenses, insurance premiums, Impositions and other payments, including Administrative Fees and Expenses, that are the obligations of the State or the Agency pursuant to the terms of the Master Financing Lease or each Agency Financing Lease, as the case may be, that are not financed with proceeds of the Certificates and are incurred by the Corporation, the Trustee or the State Treasurer.

***Additional Site Lease*** means any future lease of a Site by an Agency in connection with an Additional Local Agency Financing Lease or an Additional State Agency Financing Lease.

***Additional State Agency Financing Lease*** means any future State Agency Financing Lease entered into by a State Agency for the purpose of financing additions, betterments and improvements to the Property pursuant to Section 2.2(d) of the State Agency Financing Lease.

***Administrative Fees and Expenses*** means all application, commitment, financing or similar fees charged, or administrative or other expenses incurred, with respect to the administration and maintenance of the Certificates and the Series #1# Agreements.

***[Advance Refunded Certificates*** means that portion of all of the outstanding State of Washington Certificates of Participation, Series 200\_\_ (State and Local Agency Real and Personal Property) relating to the \_\_\_\_\_ (the “Series 200\_\_ Certificates”), and that portion of all of the outstanding State of Washington Certificates of Participation, Series 200\_\_ (State and Local Agency Real and Personal Property) relating to the \_\_\_\_\_ (the “Series 200\_\_ Certificates”).]

***Agency*** means a State Agency or Local Agency.

***Agency Event of Default*** has the meaning given such term in the related Agency Financing Agreement.

***Agency Financing Agreement*** means each Agency Financing Lease and Agency Financing Contract.

***Agency Financing Contract*** means the Local Agency Financing Contract or the State Agency Financing Contract.

***Agency Financing Lease*** means each Local Agency Financing Lease or State Agency Financing Lease.

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***Agency Installment Payment Dates*** means each December 1 and June 1, as specified in the Agency Financing Contracts, on which an Agency Installment Payment is due.

***Agency Installment Payment Fund*** means the accounting records maintained by the State Treasurer pursuant to the Master Financing Contract within Account 739 for State Agencies and within Account 449 for Local Agencies to account for the receipt, investment and expenditure of Agency Installment Payments used by the State to make Installment Payments evidenced and represented by the Certificates.

***Agency Installment Payments*** means the installment payments to be made by each Agency as set forth in the related Agency Financing Contract.

***Agency Interest Component*** means that portion of each Agency Rent Payment or Agency Installment Payment denominated as and comprising interest as set forth in each Agency Financing Lease or Agency Financing Contract, as applicable.

***Agency Payment*** means each Agency Rent Payment and Agency Installment Payment.

***Agency Principal Component*** means that portion of each Agency Rent Payment or Agency Installment Payment denominated as and comprising principal as set forth in each Agency Financing Lease or Agency Financing Contract, as applicable.

***Agency Rent Payment Dates*** means each December 1 and June 1, as specified in each Agency Financing Lease, on which an Agency Rent Payment is due.

***Agency Rent Payment Fund*** means the accounting records maintained by the State Treasurer pursuant to the Master Financing Lease within Account 739 for State Agencies and within Account 449 for Local Agencies to account for the receipt, investment and expenditure of Agency Rent Payments used by the State to make Rent Payments evidenced and represented by the Certificates.

***Agency Rent Payments*** means the rent payments to be made by each Agency as set forth in the related Agency Financing Lease.

***Authorized Agency Representative*** means the natural person (a) designated on the certificate of the Agency in the form set forth in the related Agency Financing Agreement and shall include any other officer appointed by the chief elected official or administrative official of the Agency and (b) whose signature is on file with the Trustee and the Treasurer Representative.

***Authorized Corporation Representative*** means the President from time to time of the Corporation, unless such President shall have designated another officer of the Corporation, in which case “Authorized Corporation Representative” shall mean such other officer.

***Authorized Denomination*** means \$5,000 and any integral multiple thereof.

***Beneficial Owner*** means any Person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates (including Persons holding Certificates through nominees, depositories or other intermediaries).

**Biennium** means the fiscal period of the State.

**Business Day** means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions located in the state of Washington are authorized or required by law to remain closed, or (iv) a day on which the Principal Office of the Trustee or the New York Stock Exchange is closed.

**Certificate Counsel** means a firm of attorneys appointed by the State Treasurer of recognized national standing in the field of law relating to the issuance of certificates of participation, bonds and other obligations by states and their political subdivisions, and the exclusion of interest thereon from gross income for federal income tax purposes.

**Certificate Fund** means the “State of Washington Certificates of Participation, Series #1# Certificate Fund” established by the Trustee pursuant to the Trust Agreement.

**Certificate of the State Treasurer, Written Request of the State Treasurer and Written Order of the State Treasurer** each mean an instrument in writing signed by a Treasurer Representative.

**Certificate Payment Date** means each Principal Payment Date and each corresponding Interest Payment Date on which a Principal Component and the corresponding Interest Component are due as set forth in the Master Financing Agreements.

**Certificate Register** means the records for the registration of the Certificates maintained by the Trustee.

**Certificates** means the certificates of participation in the State Payments executed and delivered by the Trustee pursuant to the Trust Agreement in the Initial Principal Amount and designated as the “State of Washington Certificates of Participation, Series #1# (\_\_\_\_\_).”

[**Certification** means the certification with respect to the Refunding Plan prepared by \_\_\_\_\_, dated the Closing Date, as described in item (ii) in the definition of Refunding Plan.]

**Closing Date** means the date on which the Certificates are delivered to the Underwriter in exchange for payment therefor.

**Code** means the Internal Revenue Code of 1986, as amended, together with all regulations promulgated by the United States Department of the Treasury thereunder.

**Corporation** means the Washington Finance Officers Association or any other Washington nonprofit corporation selected by the State Treasurer’s Office from time to time, and any successors and permitted assigns thereof, including without limitation the Trustee as assignee pursuant to the Master Assignment.

**Costs of Issuance** means administrative expenses, legal, accounting, financial and printing expenses, and all other expenses incurred in connection with the preparation, execution and delivery of the Series #1# Agreements and the Certificates.



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[**Current Refunded Certificates** means that portion of all of the outstanding State of Washington Certificates of Participation, Series 200\_\_ relating to the \_\_\_\_\_ (the “Series 200\_\_ Certificates”).]

**Dated Date** means \_\_\_\_\_, 20\_\_, the date of initial delivery of the Certificates.

**Disclosure Agreement** means an agreement for ongoing disclosure in compliance with the Rule, dated as of the Dated Date, executed and delivered by the Treasurer Representative and/or by the Authorized Agency Representative with respect to the Certificates.

**DTC** means The Depository Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Certificates, or any successor or substitute depository for the Certificates.

**Event of Default** means an Event of Default as set forth in Section 8.1 of the Master Financing Lease and Section 7.1 of the Master Financing Contract.

**Executive Order**, for purposes of the Master Financing Agreements, means an order issued by the Governor of the State pursuant to RCW 43.88.050 and RCW 43.88.110.

**Fitch** means Fitch Ratings, and its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s and S&P) designated by the Treasurer Representative.

**General State Revenues** means “general state revenues” as defined in Article VIII, Section 1, of the State Constitution.

**Government Obligations** means obligations defined as “government obligations” in chapter 39.53 RCW, as now in existence or hereafter amended.

**Impositions** means all federal, State and local real and personal property taxes and assessments (including assessments for public improvements), license and permit fees, charges for public utilities, leasehold excise taxes, other excise taxes, levies, use and occupancy taxes, privilege taxes, business and occupation taxes and all other governmental impositions and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen, which are imposed, levied upon or assessed against or which arise with respect to the applicable Property (or any portion thereof), any State Payments, Agency Payments, Prepaid Site Lease Rent, Additional Rent, Additional Costs or other sums payable under the Master Financing Agreements, the Agency Financing Agreements, or the Site Leases, the leasehold estates created by the Site Leases, the Master Financing Lease or the applicable Agency Financing Leases, or the operation, use or possession of the applicable Property, and all income, gross receipts or similar taxes imposed, levied upon, assessed against or measured by any Agency Payments, State Payments, Prepaid Site Lease Rent, Additional Rent, Additional Costs or other sums payable under the applicable Site Leases, the Master Financing Agreements or the applicable Agency Financing Agreements, and all sales, value added, *ad valorem*, use and similar taxes levied, assessed or payable on account of the leasing, use, possession, control or operation of the Property, and all

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charges, fees and assessments for utilities, communications and similar services provided to the Property.

**Initial Principal Amount** means the aggregate initial Principal Components evidenced and represented by the Certificates as set forth in the Trust Agreement.

**Installment Payment Date** means each January 1 and July 1, as specified in the Master Financing Contract, on which an Installment Payment evidenced and represented by the Certificates is due.

**Installment Payments** means the installment payments to be made by the State as set forth in the Master Financing Contract.

**Interest Component** means that portion of each State Payment denominated as and comprising interest as set forth in the Master Financing Agreements.

**Interest Payment Date** means each January 1 and July 1 on which an Interest Component is due as set forth in the Master Financing Agreements.

**Land Lease** means a lease of land by and between one Agency, as lessor, and another Agency, as lessee, that provides a leasehold interest in a Site to the lessee Agency on which the lessee Agency intends to construct a Project, and the term of which leasehold interest exceeds the maximum term of the lessee Agency's Site Lease and the other terms of which are approved by the State Treasurer.

**Letter of Representation** means the blanket issuer letter of representations from the State Treasurer to DTC.

**LGIP** means the Local Government Investment Pool administered by the Office of the State Treasurer.

**Local Agency** means any "other agency" as that term is now or hereafter defined in the Act.

**Local Agency Financing Contract** means each Local Agency Financing Contract, dated as of the Dated Date, by and between the State, acting by and through the State Treasurer, and the Local Agency which is a Party thereto.

**Local Agency Financing Lease** means each Local Agency Financing Lease, dated as of the Dated Date, by and between the State, acting by and through the State Treasurer, and the Local Agency which is a Party thereto.

**Master Assignment** means each Master Assignment dated as of the Dated Date, executed and delivered in connection with the Certificates.

**Master Financing Agreements** means the Master Financing Contract and the Master Financing Lease.

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**Master Financing Contract** means the Master Financing Contract, dated as of the Dated Date, by and between the Corporation and the State, acting by and through the State Treasurer, as supplemented and amended.

**Master Financing Lease** means the Master Financing Lease, dated as of the Dated Date, by and between the Corporation and the State, acting by and through the State Treasurer, as supplemented and amended.

**Moody's** means Moody's Investors Service, and its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch and S&P) designated by the Treasurer Representative.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Notice of Intent** means the Notice of Intent in the form attached to each Agency Financing Contract and each Local Agency Financing Lease, as applicable.

**OFM** means the State Office of Financial Management established in the Office of the Governor of the State pursuant to Chapter 43.41 RCW, or any successor to the functions of the OFM, charged with responsibility of submitting budgets to the State Legislature.

**Opinion of Counsel** means a written opinion of Certificate Counsel satisfactory to the State Treasurer and the Trustee.

**Outstanding** means all Certificates executed and delivered pursuant to the Trust Agreement, except:

- (i) Certificates theretofore canceled by the Trustee, or delivered to the Trustee for cancellation;
- (ii) Certificates for which the payment or prepayment of the State Payments evidenced and represented thereby has been made or duly provided for pursuant to Section 4.1(b) of the Master Financing Agreements and Article X of the Trust Agreement; and
- (iii) Certificates in lieu of or in substitution for which other Certificates have been executed and delivered pursuant to Article II of the Trust Agreement.

**Owner** means the registered owner of a Certificate as set forth on the Certificate Register.

**Parties** means, as the context requires, the State, the Corporation, each Agency, and/or the Trustee.

**Permitted Encumbrances** means, as of any particular time:

- (i) Liens for general *ad valorem* taxes and assessments, if any, that are not then delinquent;

- (ii) Any Land Lease;
- (iii) The Site Leases;
- (iv) The Master Financing Lease;
- (v) The Master Assignment (Real Property);
- (vi) The Agency Financing Leases;
- (vii) Any Additional Financing Lease Agreements;
- (viii) Any right or claim of any mechanic, laborer, materialmen, supplier or vendor filed or perfected in the manner provided by law;
- (ix) Easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions or restrictions which (a) exist of record as of the Dated Date and which the respective Agency certifies in writing will not materially impair the use of the Property by such Agency, and (b) arise thereafter and to which the State Treasurer and the Corporation consent in writing; and
- (x) Exceptions shown on the respective title insurance policies issued with respect to the Property as of the date of execution and delivery of the Certificates.

***Permitted Termination Date*** means the date on which a Permitted Termination Event is to take effect, as determined by the State Treasurer, but not later than the earliest Agency Payment Date on which Agency Payments are due from the affected State Agency or Agencies for which funding will not be available as the result of the occurrence of the Permitted Termination Event.

***Permitted Termination Event*** has the meaning provided by Section 5.1 of the applicable Master Financing Contract or Section 6.1 of the applicable Master Financing Lease.

***Person*** or ***persons*** means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

***Personal Property Certificate*** means the Personal Property Certificate (in the form attached to the Local Agency Financing Contract and State Agency Financing Contract) delivered by the Agency to the State Treasurer with respect to items of Property.

***Prepaid Site Lease Rent*** has the meaning given such term in Section 4 of each Site Lease.

***Prepayment Account*** means the account by that name established pursuant to the Trust Agreement.

***Prepayment Date*** means each date, other than a Principal Payment Date, on which a Principal Component evidenced and represented by the Certificates is to be prepaid.

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**Prepayment Price** means the price payable pursuant to each Master Financing Agreement upon any optional or mandatory prepayment of Principal Components evidenced and represented by the Certificates.

**Principal Component** means that portion of each Rent Payment or Installment Payment denominated as and comprising principal as set forth in the Master Financing Agreements.

**Principal Office** means, with respect to the State Treasurer, the office in Olympia, Washington, designated in writing by the State Treasurer to the Trustee, and, with respect to the Trustee, the corporate trust office of the Trustee, designated in writing by the Trustee to the State Treasurer, or solely for purposes of the presentation of Certificates for payment, transfer or exchange, the designated corporate trust agency office of the Trustee.

**Principal Payment Date** means each [January/July] 1 on which a Principal Component is due as set forth in the Master Financing Agreements.

**Project** means the improvements acquired or constructed on each Site pursuant to each respective Agency Financing Lease.

**Project Costs** means all costs incurred by or on behalf of the Corporation, or the State or the Agency, as agent of the Corporation, on, prior to or after the effective date of the Master Financing Lease in connection with the acquisition or construction of the Property or the Project thereunder, as applicable, and shall include, but not be limited to, (a) the cost of such Property or the Project (including, but not limited to, charges for design, testing and similar charges); (b) the expenses of the State Treasurer and the Agency in connection with the acquisition or construction of the Property or the Project, including but not limited to the Costs of Issuance; (c) any taxes, assessments and other charges, if any, payable in connection with the acquisition or construction of the Property or the Project; and (d) any amounts required to reimburse the State Treasurer or the Agency for advances or payments made prior to the effective date of the Master Financing Lease for any of the above costs.

**Project Fund** means the accounting records maintained by the State Treasurer pursuant to the Trust Agreement and the Master Financing Lease within Account 739 for State Agencies and within Account 449 for Local Agencies to account for the receipt, investment and expenditure of proceeds of the Certificates on Project Costs.

**Property** means, (i) with respect to each Agency Financing Lease, the particular Site and Project leased by the Corporation to the State, and, with respect to the Master Financing Lease, means collectively all of the Sites and Projects being leased by the Corporation to the State, as set forth in Exhibit A to the Master Financing Lease, and (ii) collectively, all personal property the Acquisition Costs of which are being financed or refinanced pursuant to the Master Financing Contract, as set forth in Exhibit B to the Master Financing Contract, together with all replacements parts, repairs, additions, attachments and accessories thereof, therefor and thereto, licenses, permits and capitalized maintenance agreements with respect thereto, and any replacements of or substitutes therefor as permitted by the Agency Financing Contracts.

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**Purchase Price** means the aggregate amount of the Principal Components of the Installment Payments with respect to the Property, as set forth in the Master Financing Contract.

**Qualified Investments** means any legal investments for funds held by the State Treasurer.

**RCW** means the Revised Code of Washington, as supplemented and amended.

**Rating Agency** means Fitch, Moody's or S&P.

**Rating Category** means the generic rating categories of the Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Rebate Fund** means the "State of Washington Certificates of Participation, Series #1# Rebate Fund" which may be established pursuant to the Master Financing Agreements.

**Rebate Requirement** has the meaning given to such term in the Tax Certificate.

**Record Date** means the 15<sup>th</sup> day of the month immediately preceding each Interest Payment Date and Principal Payment Date.

**[Refunded Certificates** means collectively the Current Refunded Certificates and the Advance Refunded Certificates.]

**[Refunding Escrow Account** means the "State of Washington Certificates of Participation, Series 20\_\_ Refunding Escrow Account" established pursuant to the Trust Agreement and the Master Financing Agreement.]

**[Refunding Plan** means:

(i) The delivery by the State to the Trustee of certain proceeds of the Certificates to be deposited in the Refunding Escrow Account as set forth in Section 3.04 of the Trust Agreement; and

(ii) The delivery to the State and the Trustee of the Certification, certifying the cash and/or Government Obligations, if any, deposited in the Refunding Escrow Account will provide sufficient money to:

(a) Call and prepay on \_\_\_\_\_, 20\_\_, the outstanding principal of all of the Current Refunded Certificates at a price of par plus accrued interest; and

(b) Pay maturing principal and interest on the Advance Refunded Certificates when due up to and including \_\_\_\_\_ 1, 20\_\_, and call and prepay on \_\_\_\_\_ 1, 20\_\_, the then-outstanding principal of the Advance Refunded Certificates.]

**Rent Payment** means a rent payment to be made by the State Treasurer as set forth in the Master Financing Lease.

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**Rent Payment Date** means each January 1 and July 1, as specified in the Master Financing Lease, on which a Rent Payment evidenced and represented by the Certificates is due.

**Resolution** means Resolution No. 1190 adopted by the State Finance Committee on October 31, 2016.

**Rule** means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**S&P** means Standard & Poor's Ratings Group, and its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch and Moody's) designated by the Treasurer Representative.

**SEC** means the Securities and Exchange Commission.

**Securities Depositories** means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; or, in accordance with then-current guidelines of the SEC, such other addresses and/or such other securities depositories as the State Treasurer may designate in a Certificate of the State Treasurer delivered to the Trustee.

**Series #1# Agreement** means, as the context requires, the Trust Agreement, the Site Leases, the Master Financing Agreements, the Agency Financing Agreements, the Master Assignments or the Disclosure Agreement, and collectively means all such agreements in connection with the Certificates.

**Site** means the real property legally described in Exhibit A to the Site Lease, including any leasehold interest therein held by an Agency under a Land Lease, and the improvements thereon as of the Dated Date.

**Site Lease** means each Site Lease, dated as of the Dated Date, by and between the Agency and the Corporation for the lease of a parcel or parcels of the Property by the Agency to the Corporation.

**State** means the state of Washington.

**State Agency** means any state agency permitted to enter into financing contracts under the Act.

**State Agency Financing Contract** means each State Agency Financing Contract that is consolidated with the Master Financing Contract, dated as of the Dated Date, executed by the Treasurer Representative and the State Agency.

**State Agency Financing Lease** means each State Agency Financing Lease that is consolidated with the Master Financing Lease, dated as of the Dated Date, executed by the Treasurer Representative and the State Agency.

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**State Finance Committee** means the state finance committee as constituted from time to time pursuant to Chapter 43.33 RCW.

**State Legislature** means the Legislature of the State.

**State Payment** means each Installment Payment and each Rent Payment.

**State Reimbursement Rate** means the average rate of return on the LGIP over the period the reimbursement payment by the Local Agency to the State Treasurer is delinquent, as determined by the State Treasurer, which determination shall be binding and conclusive against the Local Agency absent manifest error.

**State Sublease Termination Date** has the meaning given such term in the Master Financing Lease.

**State Treasurer** means the Treasurer of the State.

**Supplemental Agreement** means any agreement duly authorized and entered into following the Closing Date between or among the State Treasurer, the Corporation, and the Trustee (in the case of the Trust Agreement, the Master Financing Agreements, or the Master Assignments), or the Agency (in the case of the Agency Financing Agreements or the Site Leases) supplementing, modifying or amending the Trust Agreement, a Site Lease, a Master Financing Agreement, a Master Assignment or an Agency Financing Agreement.

**Tax Certificate** means the Tax Certificate executed and delivered by the Treasurer Representative and/or Authorized Agency Representatives regarding compliance with applicable provisions of the Code in connection with the Site Leases, the Master Financing Agreements, the Agency Financing Agreements and the Certificates.

**Toxic or Hazardous Substances** shall be interpreted broadly to include, but not be limited to, any material or substance that is defined or classified under federal, State or local laws as: (a) a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14) or Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, each as now or hereafter amended; (b) a “hazardous waste” pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6903, 42 U.S.C. § 6921, as now or hereafter amended; (c) a toxic pollutant under Section 307(1)(a) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(1)(a); (d) a “hazardous air pollutant” under Section 112 of the Clean Air Act, 42 U.S.C. § 7412, as now or hereafter amended; (e) a “hazardous material” under the Hazardous Material Transportation Act, 49 U.S.C. § 1802(2), as now or hereafter amended; (f) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, State or local laws, ordinances, or regulations, as now or as may be posed or promulgated in the future. “Toxic or Hazardous Substances” shall also mean any substance that after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer or genetic abnormalities. “Toxic or Hazardous Substances”



specifically includes, but is not limited to, asbestos, polychlorinated biphenyls (PCBs), petroleum and petroleum-based derivatives, flammable explosives, radioactive materials and urea formaldehyde.

***Treasurer Representative*** means the State Treasurer, the Assistant State Treasurer or the Deputy State Treasurer of the State, and shall include any other natural person who at the time and from time to time may be designated by a Certificate of the State Treasurer delivered to the Party relying thereon. Such Certificate shall contain the specimen signature of such person, and shall be signed on behalf of the State by the State Treasurer, the Assistant State Treasurer or the Deputy State Treasurer.

***Trustee*** means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States, and its successors and assigns, or any other bank or trust company which may at any time be substituted in its place pursuant to the Trust Agreement.

***Trust Agreement*** means the Trust Agreement, dated as of the Dated Date, by and among the State Treasurer, the Corporation and the Trustee, as supplemented and amended in accordance therewith.

***Underwriter*** means the original purchaser of the Certificates.

PART 2.  
RULES OF CONSTRUCTION

The following rules of construction shall apply to this Series #1# Agreement:

- (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.
- (b) Headings of articles, sections and subsections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof, and shall not affect the meaning, construction or effect hereof.
- (c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions hereof.
- (d) In this Series #1# Agreement, the words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of the Certificates) refer to this entire Series #1# Agreement.
- (e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “direction” or similar action hereunder by the Agency or by the State or the State Treasurer shall, unless the form thereof is specifically provided, be in writing signed by the Authorized Agency Representative or the Treasurer Representative, respectively.

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(f) References to “principal and/or interest evidenced and represented by the Certificates” shall be deemed to refer to undivided proportionate interests in the Principal Components and Interest Components evidenced and represented by the Certificates.

PART 3.  
MISCELLANEOUS PROVISIONS

The following provisions shall apply to this Series #1# Agreement:

(a) ***No Personal Recourse.*** No director, officer, agent or employee, past, present or future, of the State, the Corporation, any Agency or the Trustee, or of any successor body thereto, shall be individually or personally liable for the payment of the State Payments or the Agency Payments, or any Additional Costs or other obligations, or for the observance or performance of any other covenants or agreements, under this Series #1# Agreement or the Certificates, including but not limited to the payment of the principal, Prepayment Price, or interest evidenced and represented by the Certificates, and each Party hereby releases each and every such person from any such liability; but nothing in this paragraph shall relieve any such Person from the performance of any official duty provided hereby or thereby or by any applicable provision of law.

(b) ***Notices.*** All written notices, requests, directions and demands to be given under this Series #1# Agreement shall be given in person or by registered mail or overnight courier delivery to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Parties in writing from time to time:

To the Corporation: Washington Finance Officers Association  
2601 Fourth Avenue, Suite 800  
Seattle, WA 98121-1280  
Attn: President  
Telephone: (206) 625-1300  
Telecopy: (206) 625-1220

To the Trustee: U.S. Bank National Association  
Corporate Trust Services  
1420 5th Avenue, 7<sup>th</sup> Floor  
Seattle, WA 98101  
Telephone: (206) 344-4678  
Telecopy: (206) 344-4632

To the Agencies: *To the address specified in the respective Agency  
Financing Agreement*

With a copy to: The State Treasurer

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To the State Treasurer:      Office of the State Treasurer  
State Legislative Building  
P.O. Box 40200  
Olympia, Washington 98504  
Attention: State Treasurer  
Telephone: (360) 902-9000  
Telecopy: (360) 902-9044

The Parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise specifically required by the context of this Series #1# Agreement, any notices required to be given hereunder to any Party may be given by any form of electronic transmission capable of producing a written record. Each such Party shall file with the other Parties information appropriate to receiving such form of electronic transmission. A duplicate copy of each notice, request, direction, demand or other communication given hereunder to any one Party shall also be given to the other Parties.

(c) **Waiver of Notice.** Except as otherwise provided herein, whenever in this Series #1# Agreement the giving of notice is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(d) **Successors and Assigns.** Whenever any Party to this Series #1# Agreement or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in such Party or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of such Party or any officer thereof shall bind and inure to the benefit of the respective successors and permitted assigns thereof whether so expressed or not.

(e) **Limitation of Rights.** All the covenants, agreements, terms and conditions in this Series #1# Agreement to be observed or performed by or on behalf of the State Treasurer, the Corporation, each Agency, the Trustee or any Paying Agent shall be for the sole and exclusive benefit of the other Parties hereto, whether so expressed or not, and nothing contained herein, express or implied, is intended to or shall give any other Person other than the State Treasurer, the Corporation, each Agency, the Trustee and the Paying Agents any legal or equitable right, remedy or claim hereunder.

(f) **Counterparts.** This Series #1# Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute but one and the same instrument.

(g) **Applicable Law; Venue; Time of the Essence.** This Series #1# Agreement and the rights and obligations hereunder of the Parties hereto shall be governed by and construed in accordance with the laws of the State. Time is of the essence in the performance of the obligations under this Series #1# Agreement. Venue for any action brought under this Series #1# Agreement

**Agreement for Fiscal Agency Services  
Attachment C-4 – COP Form Appendix**

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shall be had in the Superior Court of Thurston County, and the Parties hereby stipulate to such venue.

(h) **Payments Due on Non-Business Days.** If the date for making any payment, or the last date for the performance of any act or forbearance therefrom or the exercise of any right, as provided in this Series #1# Agreement, shall be a date other than a Business Day, then such payment may be made, such act performed or forbearance observed, or such right exercised on the next succeeding day which is a Business Day with the same force and effect as if done on the date otherwise provided in this Series #1# Agreement. No additional interest on any such payment shall accrue for the period until such next succeeding Business Day except as otherwise provided in this Series #1# Agreement.

(i) **No Joint Venture.** It is not intended by this Series #1# Agreement to, and nothing contained in this Series #1# Agreement shall, create any partnership, joint venture or other arrangement between or among the State Treasurer, the Corporation and the Agency. No term or provision of the Agency Financing Agreement is intended to be, or shall be, for the benefit of any Person other than the Parties thereto, nor shall any such other Person have any right or cause of action thereunder.

(j) **Partial Invalidity.** If any term, covenant, agreement or provisions of this Series #1# Agreement or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable by any court of competent jurisdiction, the remainder of this Series #1# Agreement, or the application of such term, covenant, agreement or provisions to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, agreement or provision of this Series #1# Agreement shall continue to be valid and enforceable as against the Parties hereto. The Parties to this Series #1# Agreement hereby declare that they would have executed and delivered this Series #1# Agreement and each and every article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any Person or circumstances may be held to be unconstitutional, unenforceable or invalid.

(k) **No Merger.** In no event shall (a) the leasehold interest, estate or rights of the Corporation as lessee under any Site Lease, (b) the rights of the Trustee or the Owner of any Certificate under the Master Assignment or the Trust Agreement, (c) the leasehold interest, estate or rights of the State as lessee under the Master Financing Lease, and (d) the leasehold interest, estate or rights of the Agency as lessee under the Agency Financing Lease, merge with any right or interest of the Agency as the lessor under such Site Lease, it being expressly understood that the leasehold interest, estate and rights of the Agency as lessee under the Agency Financing Lease shall be deemed to be separate and distinct from the Agency's interest, estate and rights as lessor under such Site Lease, notwithstanding that any such interests, estates or rights shall at any time or times be held by or vested in the same Person.

PART 4.  
SUPPLEMENTAL AGREEMENTS

(a) ***Amendments and Supplements Without Owners' Consent.*** This Series #1# Agreement may be amended or supplemented at any time and from time to time by a Supplemental Agreement, signed by the Parties hereto and consented to by the State Treasurer, without notice to or the consent of the Owners, upon receipt by the Parties hereto and the State Treasurer of an Opinion of Counsel to the effect that (i) the Supplemental Agreement is permitted by this Series #1# Agreement; (ii) such Supplemental Agreement will not have a material adverse effect on the interests of Owners of the Certificates; and (iii) such Supplemental Agreement shall not adversely affect the exclusion from gross income for federal income tax purposes of the Interest Component evidenced and represented by the Certificates. No Supplemental Agreement which affects the rights, duties or responsibilities of a Party shall be entered into or effective without the prior written consent of that Party.

(b) ***Amendments and Supplements with Owners' Consent.*** In addition to the authority granted under paragraph (a) of this Part 4, this Series #1# Agreement may be amended from time to time by a Supplemental Agreement approved by the Owners of a majority in aggregate Principal Component of the Certificates then Outstanding; provided, that no amendment or supplement shall be entered into or effective which affects the rights of some but fewer than all the Outstanding Certificates without the consent of the Owners of the Certificates so affected.

(c) ***Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel.*** The Trustee is authorized to join with the Parties in the execution and delivery of any Supplemental Agreement as permitted by this Part and in so doing shall be fully protected by an Opinion of Counsel that such Supplemental Agreement is so permitted.

(d) ***Effect of Supplement or Amendment.*** Upon the execution and delivery of any Supplemental Agreement, this Series #1# Agreement shall be, and be deemed to be, modified, supplemented and amended in accordance therewith, and the respective rights, duties and obligations under this Series #1# Agreement of the Parties hereto and all Owners shall thereafter be determined, exercised and enforced under this Series #1# Agreement subject in all respects to such Supplemental Agreement.