

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1231

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON ACTING BY AND THROUGH THE STATE TREASURER AS CHAIRMAN OF THE STATE FINANCE COMMITTEE APPROVING THE NEGOTIATED SALE OF \$396,315,000 PRINCIPAL AMOUNT OF MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION REFUNDING BONDS (TRIPLE PLEDGE BONDS—SR 520 TOLL REVENUE), SERIES R-2021A (FORWARD DELIVERY), OF THE STATE; FIXING THE INTEREST RATES; APPROVING THE SALE AND PROVIDING FOR THE DELIVERY OF THE BONDS TO BOFA SECURITIES, INC., BARCLAYS CAPITAL INC., GOLDMAN SACHS & CO. LLC, LOOP CAPITAL MARKETS LLC AND WELLS FARGO BANK, NATIONAL ASSOCIATION; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

ADOPTED: NOVEMBER 13, 2019

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WHEREAS, the State Finance Committee (the "Committee") by Resolution No. 1117, adopted on September 29, 2011 (as amended from time to time, the "Master Resolution"), authorized the issuance and sale by the State of Washington (the "State") of bonds in the maximum principal amount authorized by the Bond Act (as defined in the Master Resolution), in one or more sales and in one or more Series, to provide funds to finance or refinance Costs of Eligible Toll Facilities (each as defined in the Master Resolution); and

WHEREAS, by the enactment of Chapter 18, Laws of 2010, 1st Spec. Sess., the State Legislature amended RCW 39.42.030(2) to authorize the Committee to delegate to the State Treasurer the authority, by resolution, to (i) accept offers to purchase bonds, notes, or other evidences of indebtedness of the State and sell and deliver such bonds, notes, or other evidences of indebtedness to the purchasers thereof; (ii) determine the date or dates, price or prices, principal amounts per maturity, delivery dates, interest rate or rates (or mechanisms for determining the interest rate or rates); and (iii) set other terms and conditions as the Committee may deem necessary and appropriate; with each such delegation to be limited to bonds, notes, or other evidences of indebtedness which the Committee has authorized to be issued; and

WHEREAS, the Committee, pursuant to the Master Resolution, authorized the State Treasurer, on behalf of the Committee, to adopt a Bond Sale Resolution to approve the sale of a Series of Bonds within the aggregate total principal amount of Bonds authorized by Chapter 498, Laws of 2009; Chapter 377, Laws of 2011 of the State (the "Bond Act"); and

WHEREAS, the State Treasurer has received and reviewed a plan to refund, call, pay and redeem a portion of those motor vehicle fuel tax general obligation bonds identified in Exhibit A of this resolution (the "Refunded Bonds"); and

WHEREAS, after due consideration, the State Treasurer finds that the State will realize a debt service savings by implementing and carrying out the refunding plan for the Refunded Bonds as more fully described in Exhibit B of this resolution, including paying the incidental costs thereof (the "Refunding Plan"), and that it is in the best interest of the State to issue and sell a series of the motor vehicle fuel tax general obligation refunding bonds authorized by the Master Resolution (defined herein as the "Series R-2021A Bonds") to pay the cost of the Refunding Plan and the costs and expenses of issuing, selling and delivering the Series R-2021A Bonds; and

WHEREAS, the Committee acting by and through the State Treasurer finds that, at the time of issuance of the Series R-2021A Bonds, the conditions established by Section 2.09(b) of the Master Resolution for the issuance of the Series R-2021A Bonds will have been met and complied with; and

WHEREAS, pursuant to the Master Resolution, the Deputy State Treasurer solicited proposals for the selection of a firm or firms to serve as Underwriter for the Series R-2021A Bonds and caused the Preliminary Official Statement dated November 6, 2019, to be prepared with respect to the negotiated sale of the Series R-2021A Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FINANCE COMMITTEE ACTING BY AND THROUGH THE STATE TREASURER FOR AND ON BEHALF OF THE STATE OF WASHINGTON, as follows:

Section 1. Definitions. In addition to the definitions contained in the Master Resolution, unless the context otherwise requires, the terms defined in this section and in the above recitals shall, for all purposes of this resolution and of any resolution supplemental hereto, have the meanings specified; words importing the singular number include the plural number and vice versa. For purposes of this resolution, if the following words are defined in the Master Resolution, the following definitions shall supersede or supply the definitions of those words in the Master Resolution.

Master Resolution means Resolution No. 1117, adopted by the Committee on September 29, 2011.

Refunded Bonds means those maturities of the series of bonds identified in Exhibit A, attached to and made a part of this resolution by this reference, to be refunded, called, paid and redeemed with the proceeds of the Series R-2021A Bonds.

Refunding Plan means the refunding of the Refunded Bonds through the issuance of the Series R-2021A Bonds as more particularly described in Exhibit B, attached to and made a part of this resolution by this reference.

Series R-2021A Bonds means any or all of the \$396,315,000 principal amount Motor Vehicle Fuel Tax General Obligation Refunding Bonds (Triple Pledge Bonds—SR 520 Toll Revenue), Series R-2021A (Forward Delivery), the sale and issuance of which are provided for in this resolution.

Section 2. Description of Series R-2021A Bonds. The Series R-2021A Bonds shall be called Motor Vehicle Fuel Tax General Obligation Refunding Bonds (Triple Pledge Bonds—SR 520 Toll Revenue), Series R-2021A (Forward Delivery); shall be issued in the aggregate principal amount of \$396,315,000; shall bear interest payable semiannually on each June 1 and December 1, commencing June 1, 2021, to the maturity of the Series R-2021A Bonds (each a “Series R-2021A Bond Interest Payment Date”); and shall mature on June 1 in years (each a “Series R-2021A Bond Principal Payment Date”) and amounts and bear interest at the rates per annum as follows:

Series R-2021A Bonds

Maturity Date (June 1)	Principal Amount	Interest Rate
2022	\$ 11,985,000	5.000%
2023	12,585,000	5.000
2024	13,210,000	5.000
2025	13,875,000	5.000
2026	14,570,000	5.000
2027	15,295,000	5.000
2028	16,060,000	5.000
2029	16,865,000	5.000
2030	17,710,000	5.000
2031	18,595,000	5.000
2032	19,520,000	5.000
2033	20,500,000	5.000
2034	21,525,000	5.000
2035	22,600,000	5.000
2036	23,730,000	5.000
2037	24,920,000	5.000
2038	26,165,000	5.000
2039	27,475,000	5.000
2040	28,845,000	5.000
2041	30,285,000	5.000

The Series R-2021A Bonds shall conform in all respect to the terms and conditions specified in the Master Resolution and this resolution.

Section 3. Redemption Provisions of the Series R-2021A Bonds.

(a) Optional Redemption. The Series R-2021A Bonds maturing on or after June 1, 2031, may be redeemed at the option of the State in whole or in part, on any date on or after June 1, 2030, at a price equal to 100% of the aggregate principal amount to be redeemed, plus accrued interest to the date fixed for redemption. In the event of an optional redemption, the State shall select the maturities to be redeemed, and the Bond Registrar shall randomly select the Series R-2021A Bonds for redemption within those maturities.

(b) Mandatory Redemption. The Series R-2021A Bonds are not subject to mandatory redemption prior to their stated maturities.

Section 4. Security for the Series R-2021A Bonds. The Series R-2021A Bonds shall be Third Tier Bonds and Triple Pledge Bonds issued under and secured by the Master Resolution. The Series R-2021A Bonds will be payable from the Third Tier Debt Service Subaccount and will not be secured by any Debt Service Reserve Subaccount.

Section 5. Tax-Exempt Status of Series R-2021A Bonds. The Series R-2021A Bonds are Tax-Exempt Bonds within the meaning of the Master Resolution. The State covenants that it will take all actions necessary to prevent interest on the Series R-2021A Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Series R-2021A Bonds or other funds of the State treated as proceeds of the Series R-2021A Bonds at any time during the term of the Series R-2021A Bonds that would cause interest on the Series R-2021A Bonds to be included in gross income for federal income tax purposes. The State further covenants that it will take all actions necessary to comply (or to be treated as having complied) with Section 148 of the Code in connection with the Series R-2021A Bonds, including the calculation and payment of any penalties that the State has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Series R-2021A Bonds from being included in gross income for federal income tax purposes.

Section 6. Approval of Purchase Contract. BofA Securities, Inc., on behalf of itself and Barclays Capital Inc., Goldman Sachs & Co. LLC, Loop Capital Markets LLC and Wells Fargo Bank, National Association (collectively, the "Underwriters") has presented a forward delivery bond purchase contract (the "Purchase Contract") to the State offering to purchase all of the Series R-2021A Bonds at a price of \$465,023,081.25 (representing the principal amount of the Series R-2021A Bonds, plus an original issue premium of \$69,472,928.40, and less an underwriters' discount of \$764,847.15), under the terms and conditions provided in the Purchase Contract, which written Purchase Contract is on file with the Deputy State Treasurer. The Committee acting by and through the State Treasurer finds that entering into the Purchase Contract is in the State's best interest and therefore accepts the offer contained therein and authorizes its execution by the Deputy State Treasurer. The Underwriters are "Original Purchasers" of the Series R-2021A Bonds within the meaning of the Master Resolution.

Section 7. Allocation of Series R-2021A Bonds to Purposes of Refunded Bonds. The maturities of the Series R-2021A Bonds have been allocated to the purposes of the Refunded Bonds as set forth in Exhibit C, attached to and made a part of this resolution by this reference.

Section 8. Appointment of Escrow Agent. U.S. Bank National Association is hereby appointed the Escrow Agent for the Refunding Plan.

Section 9. Disposition of Series R-2021A Bond Proceeds. The Treasurer is authorized to deposit, transfer and apply the balance of the Series R-2021A Bond proceeds in accordance with the provisions of Section 6.06 of the Master Resolution.

Section 10. Undertaking to Provide Ongoing Disclosure.

(a) Contract/Undertaking. This section constitutes the State's written undertaking for the benefit of the owners of the Series R-2021A Bonds in order to assist the Underwriters in complying with Section (b)(5) of the Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

(b) Financial Statements/Operating Data.

(i) *Annual Disclosure Report.* The State covenants and agrees that not later than seven months after the end of each fiscal year (the "Submission Date"), the State shall provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, an annual report (the "Annual Disclosure Report") that is consistent with the requirements of part (ii) of this subsection (b). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (ii) of this subsection (b); provided that any Audited Financial Statements (hereinafter defined) may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such Audited Financial Statements are not available by the Submission Date. If the State's fiscal year changes, the State shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection (c) hereof, and if for any fiscal year the State does not furnish an Annual Disclosure Report to the MSRB by the Submission Date, the State shall send a notice to the MSRB.

(ii) *Content of Annual Disclosure Reports.* The State's Annual Disclosure Report shall contain or include by reference the following:

(A) *Audited Financial Statements.* Audited financial statements of the State prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, as the same shall be amended from time to time, except that if any audited financial statements are not available by the Submission Date, the Annual Disclosure Report shall contain unaudited financial statements in a format similar to the audited financial statements most recently prepared for the State, and the State's audited financial statements shall be filed in the same manner as the Annual Disclosure Report when and if they become available;

(B) *Financial and Operating Data.* Historical financial and operating data for the State of the type included in the Official Statement for such Series R-2021A Bonds;

(C) *System Operations.* Information for the relevant fiscal year of the type included in the table labeled "Ratios of Net SR 520 Toll Revenue to Debt Service Requirements" in Appendix C to the Official Statement for the Series R-2021A Bonds; and

(D) *Amendments.* A narrative explanation of any reasons for any amendments to this undertaking made during the previous fiscal year and the effect of such amendments on the Annual Disclosure Report being provided.

Any or all of the items listed above may be included by specific reference to documents available to the public on the internet website of the MSRB or filed with the Commission. The State shall identify clearly each document so included by reference.

If not provided as part of the Annual Disclosure Report discussed above, the State shall provide the State's audited annual financial statements prepared in accordance with regulations prescribed by the State auditor when and if available to the MSRB.

(c) Listed Events. The State agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB notice of the occurrence of any of the following events with respect to the Series R-2021A Bonds (which may be amended if the Rule is amended prior to the Issue Date of any Series of Bonds): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Series R-2021A Bonds; (7) modifications to rights of owners, if material; (8) Bond calls (other than scheduled sinking fund redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing the repayment of the respective Series of Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the State, as such "Bankruptcy Events" are defined in the Rule; (13) the consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the State or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the State or obligated person, any of which reflect financial difficulties. The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Series R-2021A Bonds, the State may state in its preliminary and final official statements for the Series R-2021A Bonds

that there is no property securing the repayment of such Series R-2021A Bonds nor, if applicable, are there any debt service reserves or credit enhancement or liquidity provider.

(d) Notice Upon Failure to Provide Financial Data. The State agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) Termination/Modification. The State's obligations to provide annual financial information and notices of listed events with respect to the Series R-2021A Bonds shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above) or payment in full of all of the Series R-2021A Bonds. This section, or any provision hereof, shall be null and void if the State (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, have been repealed retroactively or otherwise do not apply to the Series R-2021A Bonds; and (2) notifies, in a timely manner, the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this resolution, the State may amend this section and any provision of this section may be waived, with an approving opinion of nationally recognized bond counsel to the effect that such amendment or waiver is permitted by the Rule.

In the event of any amendment of or waiver of a provision of this section, the State shall describe such amendment in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a listed event under subsection (c), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) Owner's Remedies Under this Section. The right of the Registered Owners or any beneficial owner to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the State's obligations hereunder, and any failure by the State to comply with the provisions of this undertaking shall not be a default with respect to the Series R-2021A Bonds under this resolution.

(g) Additional Information. Nothing in this section shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of a listed event, in addition to that which is required by this section. If the State chooses to include any information in any Annual Disclosure Report or notice of the occurrence of a listed event in addition to that specifically required by this section, the State shall have no obligation under this resolution to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of a listed event.

Section 11. Contract; Severability. The covenants contained in this resolution shall constitute a contract between the State and the Registered Owner of each and every Series R-2021A Bond. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the State shall be declared by any court of competent jurisdiction and final appeal (if any appeal be taken) to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Series R-2021A Bonds.

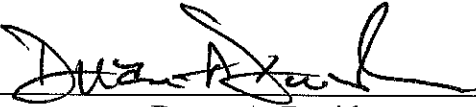
Section 12. Filing of Resolution. Pursuant to RCW 39.42.100, a certified copy of this resolution shall be filed with the State Treasurer immediately upon its adoption.

Section 13. Ratification. All actions heretofore taken consistent with the terms of this resolution and the Master Resolution are hereby ratified and confirmed.

Section 14. Immediate Effect. This resolution shall take effect immediately upon its adoption.

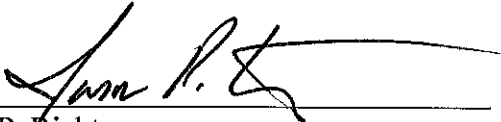
ADOPTED by the State Finance Committee acting by and through the State Treasurer as Chairman of the State Finance Committee this 13th day of November, 2019.

STATE FINANCE COMMITTEE,
STATE OF WASHINGTON

By  _____

Duane A. Davidson
State Treasurer and Chairman

ATTEST:



Jason P. Richter
Deputy State Treasurer and Secretary

EXHIBIT A

REFUNDED BONDS

Designation	Refunded Bonds Authorizing Statutes	Dated Date of Issue	Original Principal Amount (\$)	Principal Amount Outstanding (\$)	Principal Amount Refunded (\$)	Maturities to be Refunded ("Refunded Bonds")	Redemption Date and Redemption Price	Herein Referred to As
Motor Vehicle Fuel Tax General Obligation Bonds (SR 520 Corridor Program—Toll Revenue), Series 2012C	Ch. 498, Laws of 2009; Ch. 377, Laws of 2011 (RCW 47.10.879-.888)	10/31/2011	518,775,000	472,805,000	458,915,000	06/01/2022 through 06/01/2033, and 06/01/2041	06/01/2021 @ 100%	Refunded Bonds

EXHIBIT B

REFUNDING PLAN

The placement of sufficient proceeds of the Series R-2021A Bonds which will acquire the Government Obligations to be deposited, with cash, if necessary, with the Escrow Agent to provide for the payment of interest on the Refunded Bonds when due up to and including June 1, 2021, and on June 1, 2021, the call, payment and redemption of the Refunded Bonds at a price of par plus accrued interest.

EXHIBIT C

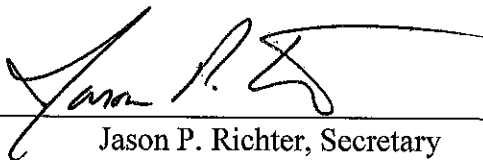
BOND ALLOCATIONS

The following schedules attached to this Exhibit C reflect allocation of the Refunded Bonds to the Series R-2021A Bonds and the purpose level allocation within the Refunded Bonds.

CERTIFICATE

I, Jason P. Richter, the duly appointed, qualified and acting Secretary of the State Finance Committee of the State of Washington, certify that the foregoing is a true and correct copy of Resolution No. 1231 adopted by the State Finance Committee acting by and through the State Treasurer as Chairman of the Committee on this 13th day of November, 2019, and that such resolution has been entered in the records of such Committee held on such date and remains in effect as of this date.

DATED: November 13, 2019.



Jason P. Richter, Secretary
State Finance Committee