

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1102

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON AMENDING RESOLUTIONS NOS. 945, 1023, 1084 AND 1085 TO PROVIDE FOR DELEGATION OF AUTHORITY TO THE STATE TREASURER TO ESTABLISH THE METHOD OF SALE OF BONDS AND ADOPT BOND SALE RESOLUTIONS; AMENDING THE UNDERTAKINGS TO PROVIDE ONGOING DISCLOSURE SET FORTH IN SUCH RESOLUTIONS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

ADOPTED: JULY 28, 2010

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WHEREAS, pursuant to chapters 39.42 and 39.53 RCW, the State Finance Committee (the "Committee") adopted Resolution No. 945 to authorize the issuance of various purpose general obligation refunding bonds of the state of Washington (the "State") in the maximum principal amount of \$1,200,000,000 and motor vehicle fuel tax general obligation refunding bonds of the State in the maximum principal amount of \$400,000,000 for the purpose of refunding certain outstanding various purpose general obligation bonds and certain outstanding motor vehicle fuel tax general obligation bonds, respectively, identified in Exhibit 3 to that resolution in order to effect debt service savings to the State; and

WHEREAS, pursuant to chapters 39.42 and 39.53 RCW, the Committee adopted Resolution No. 1023 to authorize the issuance of various purpose general obligation refunding bonds of the State in the maximum principal amount of \$3,000,000,000 and motor vehicle fuel tax general obligation refunding bonds of the State in the maximum principal amount of \$1,050,000,000 for the purpose of refunding certain outstanding various purpose general obligation bonds and certain outstanding motor vehicle fuel tax general obligation bonds, respectively, identified in Exhibit 3 to that resolution in order to effect debt service savings to the State; and

WHEREAS, pursuant to chapter 39.42 RCW, the Committee adopted Resolution No. 1084 to authorize the issuance of various purpose general obligation bonds of the State in the maximum principal amount of \$2,408,510,000 as authorized by the State Legislature in certain bond acts identified in Exhibit 1 to that resolution in order to pay and reimburse State expenditures for various State projects identified in such bond acts; and

WHEREAS, pursuant to chapter 39.42 RCW, the Committee adopted Resolution No. 1085 to authorize the issuance of motor vehicle fuel tax general obligation bonds of the State in the maximum principal amount of \$2,294,298,000 as authorized by the State Legislature in certain bond acts identified in Exhibit 1 to that resolution in order to pay and reimburse State expenditures for various State transportation projects identified in such bond acts; 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 to 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 has determined that it will be beneficial to the State for the provisions of RCW 39.42.030(2), as amended by Chapter 18, Laws of 2010, 1st Spec. Sess., to be implemented though the adoption of this resolution in order to afford to the State greater flexibility in the timing of the sale of bonds of the State in response to changing market conditions, thereby enhancing the ability of the State to realize greater debt service savings with respect to refunding bonds and otherwise achieve more favorable financing terms in the sale of the bonds that the Committee has authorized to be issued pursuant to Resolution No. 945, Resolution No. 1023, Resolution No. 1084 and Resolution No. 1085 (the “Omnibus Bond Authorization Resolutions”); and

WHEREAS, the United State Securities and Exchange Commission (the “Commission”) in Release No. 34-59062 dated December 8, 2008, and Release No. 34-62184 dated May 26, 2010, adopted certain amendments to Commission Rule 15c2-12 (the “Rule”) relating to continuing disclosure obligations of issuers of municipal securities, such as the State. The amendments included in the 2008 release became effective July 1, 2009, and the 2010 amendments will be effective with respect to municipal securities sold on and after December 1, 2010; and

WHEREAS, the Committee desires to amend the State’s undertaking to provide ongoing disclosure as set forth in each of the Omnibus Bond Authorization Resolutions to conform to the requirements of such amendments to the Rule;

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

Section 1. Definition of Bond Sale Resolution(s) in Omnibus Bond Authorization Resolutions.

(a) *Resolutions Nos. 945 and 1023.* The definition of the term “Bond Sale Resolutions” contained in Section 1 of Resolution No. 945 and Section 1 of Resolution No. 1023 is amended and restated to read as follows [*new text underlined, deleted text struck through*]:

Bond Sale Resolution means a supplemental resolution ~~or resolutions~~ hereafter adopted by the Committee, or by the State Treasurer on behalf of the Committee as provided in this resolution, that establishes, among other items, the

aggregate principal amounts, principal amounts per maturity, maturity dates, interest rates, redemption provisions and other terms of each a Series of the Bonds that are dependent upon the final pricing of such Bonds, and identifies the Refunded Bonds, as such resolution ~~or resolutions~~ may be amended or supplemented from time to time. Wherever in this resolution reference is made to the adoption of a Bond Sale Resolution by the Committee or to the establishment of any matter relating to the sale of the Bonds by the Committee pursuant to a Bond Sale Resolution, that reference shall include adoption of a Bond Sale Resolution by the State Treasurer on behalf of the Committee as provided in this resolution and shall authorize the establishment of such matters relating to the sale of the Bonds by the State Treasurer pursuant to such a Bond Sale Resolution adopted by the State Treasurer.

(b) *Resolutions Nos. 1084 and 1085.* The definition of the term “Bond Sale Resolution” contained in Section 1 of Resolution No. 1084 and Section 1 of Resolution No. 1085 is amended and restated to read as follows [*new text underlined, deleted text struck through*]:

Bond Sale Resolution means a supplemental resolution hereafter adopted by the Committee, or by the State Treasurer on behalf of the Committee as provided in this resolution, that establishes, among other items, the aggregate principal amount, principal amounts per maturity, maturity dates, interest rates, redemption provisions and other terms of a Series of the Bonds that are dependent upon the final pricing of such Bonds, and specifies the Bond Act and the Bond Fund for that Series of Bonds, as such resolution may be amended or supplemented from time to time. Wherever in this resolution reference is made to the adoption of a Bond Sale Resolution by the Committee or to the establishment of any matter relating to the sale of the Bonds by the Committee pursuant to a Bond Sale Resolution, that reference shall include adoption of a Bond Sale Resolution by the State Treasurer on behalf of the Committee as provided in this resolution and shall authorize the establishment of such matters relating to the sale of the Bonds by the State Treasurer pursuant to such a Bond Sale Resolution adopted by the State Treasurer.

Section 2. Delegation of Authority to State Treasurer to Establish Method of Sale of Bonds and Adopt Bond Sale Resolutions. The following Sections of the respective Omnibus Bond Authorization Resolutions are amended and restated as follows [*new text underlined, deleted text struck through*].

(a) *Resolution No. 945.* Section 16 of Resolution No. 945 is amended and restated to read as follows:

Section 16. Sale of the Bonds.

(a) Method of Sale of Bonds. The Deputy State Treasurer is hereby authorized to determine, for each Series of Bonds, whether such Bonds will be sold competitively at public sale or whether such Series will be sold by means of a negotiated sale to one or more Underwriters.

If the Deputy State Treasurer determines to sell Bonds at a public sale, [s]he shall: (i) establish the date of the public sale; (ii) establish the criteria by which the successful bidder will be determined; ~~(iii) request a good faith deposit in such amount as determined by the Deputy State Treasurer, which good faith deposit may either be in the form of a cashier's check or a surety bond payable to the State;~~ (iii) determine the amount, form and method of delivery of a good faith deposit to the State; (iv) cause notice of the public sale to be given; and (v) provide for such other matters pertaining to the public sale as [s]he deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, [s]he is authorized to solicit proposals for the selection of firms to serve as Underwriters for such Bonds and to negotiate the terms of a bond purchase contract for the sale of such Bonds.

(b) *Adoption of Bond Sale Resolutions.* The State Treasurer is authorized, on behalf of the Committee, to adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds within the aggregate total amount of Bonds authorized by this resolution. Provisions of the Bond Sale Resolution may include, without limitation, (i) provisions for the acceptance of offers to purchase the Bonds and provisions for the sale and delivery of the Bonds to the purchasers; (ii) provisions for the date or dates, price or prices, aggregate principal amount of the Series, principal amounts per maturity, delivery dates, and interest rate or rates (or mechanisms for determining the interest rate or rates); (iii) redemption provisions; and (iv) other terms and conditions required by or otherwise not inconsistent with the provisions of this resolution.

~~— The State shall adopt the Bond Sale Resolutions to approve the sale of the Bonds and such other matters not inconsistent with the provisions of this resolution.~~

(b) *Resolution No. 1023.* Section 16 of Resolution No. 1023 is amended and restated to read as follows:

Section 16. Sale of the Bonds.

(a) *Method of Sale of Bonds.* The Deputy State Treasurer is hereby authorized to determine, for each Series of Bonds, whether such Bonds will be sold competitively at public sale or whether such Series will be sold by means of a negotiated sale to one or more Underwriters.

If the Deputy State Treasurer determines to sell Bonds at a public sale, [s]he shall: (i) establish the date of the public sale; (ii) establish the criteria by which the successful bidder will be determined; ~~(iii) request that a good faith deposit in such amount as determined by the Deputy State Treasurer, which good faith deposit may either be in the form of a cashier's check or a surety bond~~

~~payable to the State; (iii) determine the amount, form and method of delivery of a good faith deposit to the State; (iv) cause notice of the public sale to be given; and (v) provide for such other matters pertaining to the public sale as [s]he deems necessary or desirable.~~

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, [s]he is authorized to solicit proposals for the selection of firms to serve as Underwriters for such Bonds and to negotiate the terms of a bond purchase contract for the sale of such Bonds.

(b) *Adoption of Bond Sale Resolutions.* The State Treasurer is authorized, on behalf of the Committee, to adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds within the aggregate total amount of Bonds authorized by this resolution. Provisions of the Bond Sale Resolution may include, without limitation, (i) provisions for the acceptance of offers to purchase the Bonds and provisions for the sale and delivery of the Bonds to the purchasers; (ii) provisions for the date or dates, price or prices, aggregate principal amount of the Series, principal amounts per maturity, delivery dates, and interest rate or rates (or mechanisms for determining the interest rate or rates); (iii) redemption provisions; and (iv) other terms and conditions required by or otherwise not inconsistent with the provisions of this resolution.

~~—The State shall adopt the Bond Sale Resolutions to approve the sale of the Bonds and such other matters not inconsistent with the provisions of this resolution.~~

(c) *Resolution No. 1084.* Section 16 of Resolution No. 1084 is amended and restated to read as follows:

Section 16. Sale of the Bonds.

(a) *Method of Sale of Bonds.* The Deputy State Treasurer is hereby authorized to determine, for each Series of Bonds, whether such Bonds will be sold competitively at public sale or whether such Series will be sold by means of a negotiated sale to one or more Underwriters.

If the Deputy State Treasurer determines to sell Bonds at a public sale, [s]he shall: (i) establish the date of the public sale; (ii) establish the criteria by which the successful bidder will be determined; (iii) determine the amount, form and method of delivery of a good faith deposit to the State; (iv) cause notice of the public sale to be given; and (v) provide for such other matters pertaining to the public sale as [s]he deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, [s]he is authorized to solicit proposals for the selection of firms to

serve as Underwriters for such Bonds and to negotiate the terms of a bond purchase contract for the sale of such Bonds.

(b) Adoption of Bond Sale Resolutions. The State Treasurer is authorized, on behalf of the Committee, to adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds within the aggregate total amount of Bonds authorized by this resolution. The true interest cost ("TIC") of a Series of the Bonds issued shall not exceed (i) the average of the applicable index for the six months preceding the date the TIC is calculated plus (ii) 200 basis points. For tax-exempt general obligations, the applicable index shall be the Bond Buyer 20-Bond Index as published in *The Bond Buyer* (or, if *The Bond Buyer* ceases to be published or ceases to publish such index, any successor publication or any nationally recognized financial publication or index selected by the State Treasurer), For taxable obligations, the applicable rate shall be the 30-year United States Treasury yield (unless the weighted average maturity of the taxable obligations is less than 12 years, in which case the applicable rate shall be the 10-year United States Treasury yield) as published by the Federal Reserve.

Provisions of the Bond Sale Resolution may include, without limitation, (i) provisions for the acceptance of offers to purchase the Bonds and provisions for the sale and delivery of the Bonds to the purchasers; (ii) provisions for the date or dates, price or prices, aggregate principal amount of the Series, principal amounts per maturity, delivery dates, and interest rate or rates (or mechanisms for determining the interest rate or rates); (iii) redemption provisions; and (iv) other terms and conditions required by or otherwise not inconsistent with the provisions of this resolution.

(c) Elections to Treat Bonds as Build America Bonds. If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Build America Bonds, ~~the State Treasurer is hereby authorized on behalf of the Committee to make~~ the Bond Sale Resolution shall include an irrevocable election to have the provisions of Section 54AA of the Code apply to such Bonds and ~~to take~~ may require or authorize such other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable federal credit payments in respect of such Bonds.

~~— The State shall adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds and such other matters as are required by or otherwise not inconsistent with the provisions of this resolution.~~

(d) *Resolution No. 1085.* Section 15 of Resolution No. 1085 is amended and restated to read as follows:

Section 15. Sale of the Bonds.

(a) Method of Sale of Bonds. The Deputy State Treasurer is hereby authorized to determine, for each Series of Bonds, whether such Bonds will be sold competitively at public sale or whether such Series will be sold by means of a negotiated sale to one or more Underwriters.

If the Deputy State Treasurer determines to sell Bonds at a public sale, [s]he shall: (i) establish the date of the public sale; (ii) establish the criteria by which the successful bidder will be determined; (iii) determine the amount, form and method of delivery of a good faith deposit to the State; (iv) cause notice of the public sale to be given; and (v) provide for such other matters pertaining to the public sale as [s]he deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, [s]he is authorized to solicit proposals for the selection of firms to serve as Underwriters for such Bonds and to negotiate the terms of a bond purchase contract for the sale of such Bonds.

(b) Adoption of Bond Sale Resolutions. The State Treasurer is authorized, on behalf of the Committee, to adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds within the aggregate total amount of Bonds authorized by this resolution. The true interest cost (“TIC”) of a Series of the Bonds issued shall not exceed (i) the average of the applicable index for the six months preceding the date the TIC is calculated plus (ii) 200 basis points. For tax-exempt general obligations, the applicable index shall be the Bond Buyer 20-Bond Index as published in *The Bond Buyer* (or, if *The Bond Buyer* ceases to be published or ceases to publish such index, any successor publication or any nationally recognized financial publication or index selected by the State Treasurer). For taxable obligations, the applicable rate shall be the 30-year United States Treasury yield (unless the weighted average maturity of the taxable obligations is less than 12 years, in which case the applicable rate shall be the 10-year United States Treasury yield) as published by the Federal Reserve.

Provisions of the Bond Sale Resolution may include, without limitation, (i) provisions for the acceptance of offers to purchase the Bonds and provisions for the sale and delivery of the Bonds to the purchasers; (ii) provisions for the date or dates, price or prices, aggregate principal amount of the Series, principal amounts per maturity, delivery dates, and interest rate or rates (or mechanisms for determining the interest rate or rates); (iii) redemption provisions; and (iv) other terms and conditions required by or otherwise not inconsistent with the provisions of this resolution.

(c) Elections to Treat Bonds as Build America Bonds. If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Build America Bonds, ~~the State Treasurer is hereby~~

~~authorized on behalf of the Committee to make the Bond Sale Resolution shall include an irrevocable election to have the provisions of Section 54AA of the Code apply to such Bonds and to take may require or authorize such other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable federal credit payments in respect of such Bonds.~~

~~—The State shall adopt a Bond Sale Resolution to approve the sale of a Series of the Bonds and such other matters as are required by or otherwise not inconsistent with the provisions of this resolution.~~

Section 3. Amendment of Undertakings to Provide Ongoing Disclosure. The following Sections of the respective Omnibus Bond Authorization Resolutions are amended and restated as follows [*new text underlined, deleted text struck through*]:

(a) *Amendment of Resolutions Nos. 945 and 1023 to Reflect 2009 Amendments to the Rule.* Section 20 of Resolution No. 945 and Section 20 of Resolution 1023, as applied to any Bonds to be sold on or after the effective date of this resolution, through, but not including, December 1, 2010, are each amended and restated to read as follows:

Section 20. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the State's written undertaking for the benefit of the owners of each Series of the Bonds in order to assist the Underwriters in complying with Section (b)(5) of 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 ~~to each NRMSIR and to the SID, if any, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (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 ~~NRMSIRs and to the SID, if any,~~ MSRB by the Submission Date,

the State shall send a notice to ~~each NRMSIRs and to the Municipal Securities Rulemaking Board (the “MSRB”)~~ the MSRB and to the SID, if any.

(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 ~~F~~financial and operating data for the State of the type included in the official statement for such Series.

~~(C) — State Debt. A summary of the State debt structure by revenue pledge.~~

~~(D)~~ (C) *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 other documents, including official statements of debt issues of the State, or of any related entity, that have been submitted to each of the NRMSIRs and the SID, if any, or to the Commission. If the document included by reference is a final official statement, it must be available from the MSRB. 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 ~~each then existing NRMSIR and the Sid, if any~~ the MSRB.

(c) *Material Events.* The State agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the respective Series of Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the respective Series of Bonds;
- Modifications to rights of owners;
- Optional, contingent or unscheduled Bond calls of Bonds of such Series (other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856);
- Defeasances;
- Release, substitution or sale of property securing the repayment of the respective Series of Bonds; and
- Rating changes.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Bonds, the State may state in its preliminary and final official statements for any Series that there is no property securing the repayment of such Bonds nor, if applicable, are there any debt service reserves or credit enhancement or liquidity provider. The State shall promptly determine whether the events described above are material.

(d) *Notice Upon Failure to Provide Financial Data.* The State agrees to provide or cause to be provided, in a timely manner, to ~~each NRMSIR or to the MSRB and to the SID, if any,~~ 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 material events with respect to each Series of 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 Bonds of such Series. 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 Bonds; and (2) ~~notifies each then existing NRMSIR and the SID, if any, 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 material 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 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 material 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 material 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 material event.

(b) *Amendment of Omnibus Bond Authorization Resolutions to Reflect 2010 Amendments to the Rule.* Section 20 of Resolution No. 945 and Section 20 of Resolution

No. 1023, as each have been amended and restated by subsection (a) above, Section 21 of Resolution No. 1084 and Section 20 of Resolution No. 1085 shall each be amended and restated to read as follows with respect to any Bonds sold on or after December 1, 2010:

Section [20/21]. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the State's written undertaking for the benefit of the owners of each Series of the Bonds in order to assist the Underwriters in complying with Section (b)(5) of 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 Municipal Securities Rulemaking Board (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.

(C) *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) *Material 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 respective Series of Bonds, ~~if material~~:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- ~~Adverse tax opinions or events affecting the tax exempt status of the respective Series of Tax Exempt Bonds,~~ the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Noticed of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the respective Series of Bonds;
- Modifications to rights of owners, if material;

- Optional, contingent or unscheduled Bond calls of Bonds of such Series (other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856), if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the respective Series of Bonds;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the State (a “Bankruptcy Event”);
- 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; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

A Bankruptcy Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Bonds, the State may state in its preliminary and final official statements for any Series that there is no property securing the repayment of such Bonds nor, if applicable, are there any debt service reserves or credit enhancement or liquidity provider. ~~The State shall promptly determine whether the events described above are material.~~

(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 ~~material-listed~~ events with respect to each Series of 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 Bonds of such Series. 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 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 ~~material-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 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 ~~material-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 ~~material-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 ~~material-listed~~ event.

Section 4. Filing of Resolution. The Deputy State Treasurer is directed to file with the State Treasurer, pursuant to RCW 39.42.100, a certified copy of this resolution immediately upon its adoption.

Section 5. Ratification. All actions heretofore taken by officers or staff of the Committee consistent with the terms of this resolution are ratified, approved and confirmed.

Section 6. Immediate Effect. This resolution shall take effect immediately upon its adoption.

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 28th day of July, 2010.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
James L. McIntire
State Treasurer and Chair

By _____
Christine O. Gregoire
Governor and Member

By _____
Brad Owen
Lieutenant Governor and Member

ATTEST:

Ellen Evans, Deputy State Treasurer
and Secretary

CERTIFICATE

I, Ellen Evans, 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. 1102 of such Committee, adopted at an open public meeting thereof held on this 28th day of July, 2010, after notice of such meeting was duly and regularly given as required by law, 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: July 28, 2010.

Ellen Evans, Secretary
State Finance Committee