

**OFFICE OF THE TREASURER**  
**STATE OF WASHINGTON**  
Mike Pellicciotti



March 6, 2024

Jon Cannon  
Principal Bank  
222 South 9th Street, Ste. 13  
Minneapolis, MN 55402

RE: Letter of Agreement

Dear Jon:

Pursuant to Section 1.6 (“SCOPE OF SERVICES”) contained in the “Statewide Securities Custody Service Provider—*Request for Proposal* (October 10, 2023) (“RFP”), we hereby award this Letter of Agreement to Principal Bank (“Bank”) for statewide custody services for the state of Washington.

The term of this Letter of Agreement shall be four years commencing April 1, 2024, and terminating on March 31, 2028, unless the Office of the Treasurer (“OST”) and the Bank mutually agree to extend this Letter of Agreement for additional years, up to four more years. The total Letter of Agreement term shall not exceed eight years; however, OST reserves the right to extend the Agreement beyond the eight-year period for the sole purpose of transitioning the Services provided herein to a new Statewide Custodian and/or unwinding the Agreement and the Model Contract. OST may terminate this Letter of Agreement for convenience upon 180 calendar days’ written notice to the Bank.

By this Letter of Agreement, the Bank agrees to offer custody services to any eligible local agency (“eligible entity”) within the State consistent with requirements, terms, and conditions contained in the RFP and the Model Statewide Contract for Custody Services, which are hereby incorporated by reference. The Bank agrees to provide custody services at the costs, rates, and fees set forth in its November 15, 2023, proposal in response to the RFP (“Proposal”), which Proposal is hereby incorporated by reference. OST and the Bank agree eligible entities contracting for custody services may alter the terms of the Model Contract by mutual agreement with the Bank.

The Bank agrees to offer the Model Statewide Contract for Custody Services terms and conditions to any eligible entity for a term extending at least four years from this date. An eligible entity may choose to sign the contract for a shorter term at its sole option. The Bank is not obliged to offer this contract for a period of less than one year, nor is the Bank obliged to offer the contract with a termination date exceeding the termination date of its appointment as the statewide custodian under this Letter of Agreement.

During the performance of this Letter of Agreement, the Bank shall comply with all federal and state nondiscrimination statutes and regulations. These requirements include, but are not limited to, chapter 49.60 Revised Code of Washington (“RCW”). In the event of the Bank’s noncompliance or refusal to comply with the nondiscrimination requirements, OST may rescind, cancel, or terminate this Letter of Agreement in whole or in part, and may also declare the Bank ineligible for further contracts with OST. The Bank shall, however, be given reasonable time in which to cure the noncompliance.

In accordance with chapter 42.52 RCW, Ethics in Public Service Act, it is unlawful for any person to accept, directly or indirectly, any compensation, gratuity, or reward in connection with this Letter of Agreement from any person beneficially interested therein. The Bank is required at all times to comply with all provisions of chapter 42.52 RCW. OST may terminate this Letter of Agreement, by written notice to the Bank, if it is found after due notice and examination that there is a violation by the Bank of the Ethics in Public Service Act, chapter 42.52 RCW, or any other similar statute.

In the event this Agreement is terminated as provided above, OST shall be entitled to pursue the same remedies against the Bank as it could pursue in the event of a breach of this Letter of Agreement by the Bank. The rights and remedies of the OST provided by this clause shall not be exclusive and are in addition to any other rights and remedies provided by law.

The Bank shall not subcontract or assign its obligations under this Letter of Agreement without the prior written consent of OST. The Bank shall be responsible for ensuring that all requirements of the Letter of Agreement shall be communicated to all subcontractors.

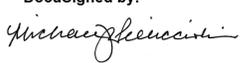
The substitution of another financial institution to act as the bank under this Letter of Agreement may occur in the event of a takeover, merger, or acquisition. In this event, the successor bank shall provide an automatic continuation of all terms of this Letter of Agreement. However, OST reserves the right to terminate the Letter of Agreement in the event a successor bank is substituted, after providing 60 calendar days’ written termination notice.

The Bank shall indemnify, defend, and hold harmless OST, the State of Washington, other agencies of the State, and all officials, agents, and employees of the State, from and against all third-party claims, and any direct damage or loss (including reasonable attorneys’ fees) arising from such claims (“Loss”), directly resulting from the Bank’s performance under this Letter of Agreement; provided, however, that such indemnity shall not apply to any Loss arising out of an act or omission of the state of Washington, OST, or any of their agents. In no event do the indemnity provisions in this Letter of Agreement permit OST to bring action against the Bank on behalf of an eligible entity. The indemnity provisions contained herein relate solely to the Bank’s obligations under this Letter of Agreement. The Bank’s agreement to indemnify, defend, and hold harmless hereunder is contingent on its receipt of timely notice of the underlying action and a meaningful opportunity to participate in any defense or settlement proceedings.

This Letter of Agreement shall be governed in all respects by, and construed in accordance with, the law and statutes of the state of Washington. The venue of any action hereunder shall be exclusively in the Superior Court for Thurston County, Washington. The Bank, by execution of this Agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

Please indicate your acceptance of this Letter of Agreement by signing below:

APPROVED  
State of Washington  
Office of the State Treasurer

DocuSigned by:  
  
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Mike Pellicciotti  
State Treasurer  
3/7/2024

DATE

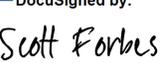
APPROVED  
Principal Bank as custodian

DocuSigned by:  
  
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Jon Cannon  
Senior Relationship Manager  
3/7/2024

DATE

APPROVED AS TO FORM  
State of Washington  
Office of the Attorney General

DocuSigned by:  
  
A9EE032ED8FE43C...

Scott Forbes  
Assistant Attorney General  
3/7/2024

DATE