



STATE FINANCE COMMITTEE

July 8, 2025, at 11:30 A.M.

- AGENDA -

Call to Order.

1. Approval of minutes from the February 25, 2025, SFC meeting.
2. Public Comments.
3. Resolution No. 1296: Authorizes the issuance of State of Washington General Obligation Bonds in a principal amount not to exceed \$5,689,750,000 for the purpose of providing funds to pay and reimburse State expenditures for various State projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1296 also authorizes the State Treasurer to adopt bond sale resolutions.
4. Resolution No. 1297: Authorizes the issuance of Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds of the State in a principal amount not to exceed \$2,809,433,000 for the purpose of providing funds to pay and reimburse State expenditures for various transportation projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1297 also authorizes the State Treasurer to adopt bond sale resolutions.
5. Resolution No. 1298: Authorizes the issuance of Various Purpose General Obligation Refunding Bonds of the State in a principal amount not to exceed \$3,966,565,000 and Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Refunding Bonds of the State in a principal amount not to exceed \$1,063,405,000 for the purpose of refunding certain outstanding Various Purpose General Obligation Bonds, Various Purpose General Obligation Refunding Bonds, Motor Vehicle Fuel Tax General Obligation Bonds, Motor Vehicle Fuel Tax General Obligation Refunding Bonds, and Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds; making certain other provisions with respect to the payment of the principal of and interest on the bonds; approving the form of a refunding escrow agreement with respect to the bonds to be refunded; and providing for other matters properly related thereto. Resolution No. 1298 also authorizes the State Treasurer to adopt bond sale resolutions.
6. Resolution No. 1299: Approves and establishes a finance plan and maximum principal amount of financing contracts and certificates of participation of the State for the 2025-27 biennium.

7. Resolution No. 1300: Authorizes the issuance of bonds of the state for the purpose of providing funds to pay and reimburse state expenditures for eligible toll facilities identified in the bond act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of principal of and interest on the bonds; and authorizing and directing the sale of the bonds in one or more sales.
8. Informational Item: Rulemaking update.
9. Informational Item: Bond sale and market update.

Adjourn.



STATE FINANCE COMMITTEE

July 8, 2025, at 11:30 A.M.

- TABLE OF CONTENTS -

1. Approval of Minutes.....	4
2. Public Comments..... (No supporting documents)	
3. Resolution No. 1296	13
4. Resolution No. 1297	54
5. Resolution No. 1298	82
6. Resolution No. 1299	131
7. Resolution No. 1300	142
8. Informational Item: Rulemaking update	228
9. Informational Item: Bond sale and market update	256



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 1 -

Approval of Minutes

Minutes from the February 25, 2025, SFC meeting

Office of the State Treasurer

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State of Washington
SFC

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

STATE FINANCE COMMITTEE MINUTES

February 25, 2025, at 2 PM

Via Zoom

With public participation via Zoom, telephonically,
and in-person at the Office of the State Treasurer,
Helen Sommers Building, First Floor, Room 1015, Olympia, WA

The State Finance Committee ("SFC" or the "Committee") met virtually via Zoom in a special meeting after notice was duly given to the public.

Members Present: State Treasurer Mike Pellicciotti, Chair
Governor Bob Ferguson, Member
Lieutenant Governor Denny Heck, Member

Staff Present: Jason Richter, Office of the State Treasurer, Secretary
Shane Esquibel, Office of the Governor
K.D. Chapman-See, Office of Financial Management
Jennifer Masterson, Office of Financial Management
Dallas Roberts, Office of the Lieutenant Governor
Mark Rachel, Office of the Attorney General
Scott Forbes, Office of the Attorney General
Stacia Hollar, Office of the Attorney General
Tammie Nuber, Office of the State Treasurer
Anna Borris, Office of the State Treasurer
Devon Phelps, Office of the State Treasurer
Danni Colo, Office of the State Treasurer
Megan Farrell, Office of the State Treasurer

Chair Pellicciotti called the meeting to order at 2:11 PM. Chair Pellicciotti stated for the record that all three members of the SFC were present, and a quorum was established. Chair Pellicciotti invited any motions to the agenda. With no such motions or modifications to the agenda, Chair Pellicciotti moved onto the agenda.

Item 1: Approval of Minutes

Chair Pellicciotti introduced the draft minutes from the June 13, 2024, SFC meeting for approval. Lieutenant Governor Heck moved to approve the minutes, which Governor Ferguson seconded. There was no discussion. The minutes were adopted unanimously.

Item 2: Public Comments.

Chair Pellicciotti opened the meeting for public comment.

The Chair recognized Yona Makowski. Ms. Makowski identified herself as the Vice Chair of the Washington State Investment Board. She said that she strongly encouraged the Committee to confirm Allyson Tucker for another term as Executive Director of the Washington State Investment Board.

There were no further public comments.

Item 3: Informational Item: Bond Sale and Market Update.

Chair Pellicciotti asked Secretary Richter to provide a bond sale and market update.

Secretary Richter provided a summary of bond sales since the last SFC meeting in June. He reported that the state sold five series of new money bonds totaling \$2.2 billion in par amount, three series of refunding bonds totaling \$1.8 billion in par amount, two series of certificates of participation, and one lease revenue bond for the Fircrest nursing facility.

Secretary Richter noted a volatility in the bond market, with interest rates moving up since June, cresting in early January, and backing off since then. He noted interest rates still remain below historical averages, and that new money bonds sold in January with a 25-year issuance level debt service had an interest rate of approximately 4.1%. He noted that the state would continue to refund existing bonds if the numbers make sense. Over the next four years, there are between \$800 million and \$1.7 billion bonds per year that can be reviewed for possible refinancing. He stated that in terms of the bond market, interest rates have generally trended upward the past several quarters. He said geopolitical issues, domestic policy changes, and inflationary concerns are influencing rates. Interest rates have dropped since January as people grow increasingly concerned about a weakening economy.

Secretary Richter raised the concern about action by the federal government regarding bond tax-exemption. Almost all of the bonds the state issues are tax-exempt, which means investors that hold the state's bonds do not have to pay income taxes on the interest they earn. He said Congress is considering ending tax-exemption to help extend the 2017 Tax Cuts and Jobs Act. Secretary Richter gave an example of how without tax-exemption, the state's recent bond issuance in January that received a 4.1% interest rate would have instead priced at approximately a 6.3% interest rate. He explained that if Congress eliminated municipalities long-standing ability to issue tax exempt bonds, it would materially impact the state's ability to finance projects by either increasing debt service costs substantially, or severely limiting the amount of bonds issued.

Chair Pellicciotti asked the Committee if they had any questions for Secretary Richter.

Lieutenant Governor Heck thanked Secretary Richter for the report and asked if there was any more information regarding the nature of the consideration of eliminating tax-exemption and how likely it was to pass Congress.

Secretary Richter responded that while there has been talk before about eliminating tax-exemption, this was the first time people recall it making it onto the House of Representatives' official list of potential targeted cuts. He said those who prognosticate these policy issues project a 50/50 chance that Congress could pass it to pay for the tax cuts in the 2017 Tax Cuts and Jobs Act. He noted other revenue sources are also being considered by Congress. He also said that tax-exemption is generally not a topic that is well understood by the public, even though it greatly impacts schools, water and wastewater systems, and most other local infrastructure project financing.

Lieutenant Governor Heck thanked Secretary Richter for the clarification and recalled that President Trump tried eliminating tax-exemption in his first term.

Chair Pellicciotti noted that Lieutenant Governor Heck was a member of Congress during the President's first term. He thanked the Lieutenant Governor for his work in opposing the legislation while in Congress. Chair Pellicciotti stated that state treasurers across the country are concerned about Congress passing this legislation and that some Congress members seek to make it retroactive. Chair Pellicciotti stated that because the passage of this legislation would so greatly impact all state and local governments throughout the country, its passage should be less attractive to Congress. He said how the Office of the State Treasurer has been watching this legislation closely and warned that the type of interest rate change referenced by Secretary Richter would add approximately \$1.5 to \$2 billion more to the state's annual financing costs.

Lieutenant Governor Heck asked Governor Ferguson, as the former Attorney General, if he would like to comment on the legality of Congress making this legislation retroactive.

Governor Ferguson thanked the Lieutenant Governor for his question and emphasized that he is now the former Attorney General and referred the question to the current Attorney General's Office which has experts on this matter.

Chair Pellicciotti recognized Assistant Attorney General Mark Rachel for any comments.

Assistant Attorney General Rachel said he could respond to Lieutenant Governor Heck's question in writing following appropriate legal research if he wished.

Lieutenant Governor Heck thanked Assistant Attorney General Rachel but said that was not necessary at this time.

Chair Pellicciotti told the Committee that he was traveling to Washington, D.C. in March to meet with other state treasurers and members of Congress to oppose any effort by Congress to eliminate tax-exempt municipal bonding.

Item 4: Resolution No. 1291:

Chair Pellicciotti asked Secretary Richter to provide an overview of Resolution No. 1291.

Secretary Richter stated that Resolution No. 1291 authorizes the Office of the State Treasurer to enter into the rulemaking process to adopt the proposed amendment to Chapter 210-06 Washington Administrative Code (“WAC”), which are the rules that govern public records for the SFC.

Chair Pellicciotti asked the Committee if they had any questions for Secretary Richter. Hearing no questions, Chair Pellicciotti moved to approve Resolution No. 1291. Lieutenant Governor Heck seconded the motion. Hearing no discussion, Chair Pellicciotti called for a vote and Resolution No. 1291 was approved unanimously.

Item 5: Resolution No. 1292:

Chair Pellicciotti asked Secretary Richter to provide an overview of Resolution No. 1292.

Secretary Richter stated that Resolution No. 1292 appoints the Office of the State Treasurer Public Records Officer as the Public Records Officer of the SFC. He explained that the Public Records Act requires each agency to designate a Public Records Officer and provide that Officer’s name and contact information via filing in the Washington State Register and the statute allows an agency to appoint a Public Records Officer from another agency as its Public Records Officer.

Chair Pellicciotti asked the Committee if they had any questions for Secretary Richter. Hearing no questions, Chair Pellicciotti moved to approve Resolution No. 1292. Lieutenant Governor Heck seconded the motion. Hearing no discussion, Chair Pellicciotti called for a vote and Resolution No. 1292 was approved unanimously.

Item 6: Resolution No. 1293:

Chair Pellicciotti asked Secretary Richter to provide an overview of Item 6 on the agenda.

Secretary Richter stated Resolution No. 1293 is to consider the confirmation of Allyson Tucker as Executive Director of the Washington State Investment Board for a term of three years commencing on January 1, 2025, as appointed by the Board.

Chair Pellicciotti asked the Committee if they had any questions for Secretary Richter.

Lieutenant Governor Heck asked for clarification on the motion before the Committee.

Chair Pellicciotti moved that the SFC, pursuant to RCW 43.33A.100, decline to confirm the appointment of Allyson Tucker as Executive Director of the Washington State Investment Board for a term of three years commencing on

January 1, 2025. Chair Pellicciotti asked if there was a second to the motion. Hearing no second to the motion, Chair Pellicciotti asked for additional motions relating to this resolution.

Lieutenant Governor Heck moved that SFC confirm Allyson Tucker as Executive Director of the Washington State Investment Board, pursuant to the recommendation of the Washington State Investment Board, for a term of three years commencing on January 1, 2025. Governor Ferguson seconded the motion.

Chair Pellicciotti called for discussion on the motion.

Lieutenant Governor Heck noted that every member of the State Investment Board who voted on the question of whether to recommend confirmation had voted in favor of recommending confirmation of Ms. Tucker. Lieutenant Governor Heck noted that he had been lobbied by State Investment Board members to confirm Ms. Tucker for reappointment. He said that his view was that under Ms. Tucker's leadership the State Investment Board's performance was top tier compared to peer institutions, and that Ms. Tucker was a rock star in the investment world. He stated that he hoped that by confirming her appointment, the Committee would give Ms. Tucker the Committee's confidence in proceeding with performance achieved thus far.

Chair Pellicciotti said that he was opposing the motion to confirm the reappointment of Ms. Tucker as Executive Director of the State Investment Board, due to his concerns about performance. Chair Pellicciotti said that his commitment to protecting the state's pensions necessitated his opposition to her reappointment. He noted that materials in the Committee's meeting packet support his concern. Chair Pellicciotti explained that Ms. Tucker has opted to over-allocate pension funds to private equity, and that this was her discretionary decision. Chair Pellicciotti said he first identified his concerns of this growing risk from the private equity overallocation in 2021 and that he has consistently communicated this risk to the pensions. Chair Pellicciotti said discretionary overallocation to private equity by Ms. Tucker has contributed to the State Investment Board's underperformance by almost \$20 billion compared to the State Investment Board's passive benchmark over the last two years. He warned that that the risk to the Washington State pension fund assets is now particularly problematic, and the SFC must review this. He contended that the role of the SFC should look at the overall assets of the state of Washington and that there is nothing more important than monitoring the \$200 billion dollars that is invested by the State Investment Board. Chair Pellicciotti again referenced the Committee's meeting packet and said the State Investment Board is now so tied up in significant exposure to private equity that the risk threshold existing today is over 40% to private equity, and that this significant overexposure does not even include the unfunded commitments to private equity that are not reflected in that percentage. He noted that combining these percentages together represents almost half, if not more, of the total risk associated with the \$200 billion pension portfolio. He asserted that the SFC must address this issue, especially since the State Investment Board has not. Chair Pellicciotti stated that the issue of these private equity risks have not been effectively raised by the Executive Director to the State Investment Board. He said that instead, outside sources of information like the New York Times have raised this alarm and our state's credit rating agencies have highlighted this investment risk. He said this puts at risk the overall credit rating of the state of Washington. Chair Pellicciotti further warned that the risk of tying up these funds in private equity has not only already cost the state of Washington by contributing to the underperformance of \$20 billion over the last two years, but it created a situation where other investments like

the State Investment Board's fixed-income investments portfolio has taken on greater risk now to meet the liquidity needs of our state.

Chair Pellicciotti stated there is nothing more important to him than making sure pensions remain well funded and retirees are paid, and he has major concerns related to the state of Washington's ability to meet these pension payment needs if there were a correction in the market. He further advised that the performance benchmarks that the Executive Director met were accomplished by her decreasing the quality of the State Investment Board's investments, so that the investments appear to be better performing than they are because they are more risky investments than other pension funds would normally hold. As an example, Chair Pellicciotti said he opposed risky investments where the State Investment Board is now lending money to the Government of China, so that the State Investment Board's government bond portfolio can achieve the higher interest rate returns necessary to meet its fixed income portfolio benchmarks. Chair Pellicciotti directed the other Committee members to the Quarterly Report in the meeting packet, which he argued reaffirms his significant concerns that the State Investment Board will not meet established benchmarks going forward, and thus not meet the expectations of the Legislature as it relates to pension funding. He stated he has raised these issues of underperformance over the last couple of years, and that they are clearly in part due to the discretion exercised by the Executive Director and her increasing exposure to private equity. He warned that without SFC action, these increased risks to pension funds will continue and lead to an underperformance of our pension funds going forward. Chair Pellicciotti said that he has consistently identified these risks to the State Investment Board and Executive Director. He said he wanted to make this pension asset risk clear to the SFC because there is nothing more important to him than protecting Washington State pensions, and he believes the SFC must respond to this risk by not confirming the reappointment of Ms. Tucker as Executive Director, in order for Washington to meet its pension needs going forward.

Lieutenant Governor Heck responded that he believes the SFC is not the right venue to bring State Investment Board investment concerns. He stated that the SFC should not substitute its judgment as to the right approach to investments, and that investment decisions should lie with the State Investment Board. He said he will defer to the professional staff of the State Investment Board. He said that there has not been a history of dissent to staff investment approaches in the history of the State Investment Board, and he hoped that the formation of a new State Investment Board governance framework under the leadership of his good friend Mr. Nierenberg would get to a positive and favorable outcome going forward.

Hearing no further discussion, the Chair called for a vote on Resolution No. 1293 Confirming the Appointment of Allyson Tucker as Executive Director of the Washington State Investment Board for a term of three years commencing on January 1, 2025. Governor Ferguson and Lieutenant Governor Heck voted to approve Resolution No. 1293. Chair Pellicciotti voted no.

Having no further business before the SFC, Chair Pellicciotti adjourned the meeting at 2:38 PM.

SFC, STATE OF WASHINGTON

By _____

Mike Pellicciotti
State Treasurer and Chair

By _____

Bob Ferguson
Governor and Member

By _____

Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter,
SFC Secretary



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair

State Treasurer

BOB FERGUSON

Governor

DENNY HECK

Lieutenant Governor

- SECTION 2 -

Public Comments

(No supporting documents)

Office of the State Treasurer

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State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 3 -

SFC Resolution 1296

Authorizes the issuance of State of Washington General Obligation Bonds in a principal amount not to exceed \$5,689,750,000 for the purpose of providing funds to pay and reimburse State expenditures for various State projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1296 also authorizes the State Treasurer to adopt bond sale resolutions.

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State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter
Deputy State Treasurer

RE: **Proposed Resolution No. 1296** authorizes the issuance and sale of State of Washington Various Purpose General Obligation Bonds

Resolution Purpose

Proposed Resolution No. 1296 authorizes the issuance of general obligation bonds of the state in a principal amount not to exceed \$5,689,750,000 for the purpose of providing funds to pay and reimburse state expenditures for various state projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales.

Resolution No. 1296 also authorizes the Deputy State Treasurer to establish the method of sale of the bonds and the State Treasurer to adopt bond sale resolutions.

Background

The bonds will be used to fund expected Capital Budget cash flow requirements for the 2025-27 Biennium, based upon preliminary issuance projections from the 2025 Legislative Session. Bond sales are currently planned on a semi-annual basis.

Authorization

Authority to issue the bonds is expected to be provided by the following bond acts, based on the preliminary allocation shown in the following table:

Chapter and Laws (Bond Authorizations)	Bonds Authorized	Issued	Unissued	Preliminary Par Amount Allocation
Ch. 147 -- Laws of 2003, Regular Sess.....	\$249,500,000	\$211,450,000	\$38,050,000	\$0
Ch. 167 -- Laws of 2006, Regular Sess.....	200,000,000	178,920,000	21,080,000	3,000,000
Ch. 3 -- Laws of 2018, Regular Sess.....	300,000,000	45,075,000	254,925,000	20,000,000
Ch. 331 -- Laws of 2021, Regular Sess.....	3,971,290,793	2,840,320,000	1,130,970,793	1,130,970,793
Ch. 473 -- Laws of 2023, Regular Sess.....	4,186,076,000	582,965,000	3,603,111,000	2,192,289,707
Ch. 415 -- Laws of 2025, Regular Sess.....	4,686,979,000	0	4,686,979,000	2,343,489,500
<i>Total.....</i>	<i>\$13,593,845,793</i>	<i>\$3,858,730,000</i>	<i>\$9,735,115,793</i>	<i>\$5,689,750,000</i>

Projects Funded

2025-27 Capital Budget appropriations and re-appropriations for bond-funded projects include the projects provided in the schedule attached to this memo (dollars shown in thousands).

Counsel

Assistance in preparing Proposed Resolution No. 1296 was provided by:

Bond Counsel: William Tonkin, Foster Garvey PC
Stacie Amasaki, Foster Garvey PC

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
Governmental Operations		
<i>Office of the Secretary of State</i>		
40000007 Puget Sound Regional Archives HVAC	0	930
Department of Commerce		
40000295 2023-25 Housing Trust Fund	436,180	0
40000299 2023-25 Behavioral Health Community Capacity Grants	265,017	0
40000301 2024 Local and Community Projects	166,569	0
92001948 Broadband Infrastructure Federal Match Projects	114,034	0
40000300 2023-25 Early Learning Facilities Fund Grant Program	79,277	0
40000230 2022 Local & Community Projects	58,682	0
40000296 2023-25 Connecting Housing to Infrastructure (CHIP)	53,481	0
40000614 2025 Local and Community Projects	53,214	0
40000219 2021-23 Behavioral Health Community Capacity Grants	46,375	0
40000148 2021-23 Clean Energy V-Investing in Washington's Clean Energy	39,452	0
91002197 Health Care Infrastructure	28,716	0
40000153 2021-23 Housing Trust Fund Investment in Affordable Housing	27,167	0
40000298 Transit Oriented Housing Development Partnership Match	25,000	0
40000116 2020 Local and Community Projects	23,618	0
40000222 2021-23 Rapid Capital Housing Acquisition	22,230	0
40000279 2023-25 Building Communities Fund Grant Program	20,193	0
40000266 2023 Local and Community Projects	18,805	0
40000005 2018 Local and Community Projects	16,425	0
92001393 2023-25 Dental Capacity Grants	15,764	0
91001682 2023-25 Youth Shelters and Housing	14,062	0
40000036 2019-21 Housing Trust Fund Program	13,417	0
40000572 2023-25 Defense Community Compatibility Projects	12,510	0
40000142 2021-23 Building Communities Fund Grant Program	10,462	0
40000650 2026 FIFA World Cup	10,000	19,500
92000953 2021-23 Broadband Office	9,655	0
40000114 2019-21 Behavioral Health Capacity Grants	9,196	0
91001677 2021-23 Early Learning Facilities	9,084	0
91001681 Early Learning Renovation Grants	8,440	0
40000260 2022 Rapid Capital Housing Acquisition	8,265	0
91001685 Grants for Affordable Housing Development Connections	8,217	0
40000286 2023-25 Library Capital Improvement Program	8,138	0
40000044 2019-21 Early Learning Facilities	7,643	0
40000292 2023-25 Youth Recreational Facilities Grant Program	6,726	0
40000043 2019-21 Building Communities Fund Program	6,702	0
40000278 Ports Infrastructure	6,179	0
40000130 2021 Local and Community Projects	6,164	0
91002195 2023-25 Rural Rehabilitation Grant Program	5,905	0
40000603 Communities of Concern	5,731	0
30000878 Public Works Assistance Account Construction Loans	5,478	0
91002471 Harborview	5,000	0
92001004 Reimann Roads, Telecomm and Utility Relocation (Pasco)	4,790	0
40000280 2023-25 Building for the Arts	4,553	0
92001175 2022 Dental Capacity Grants	4,457	0
92000957 2021-23 Community Relief	4,370	0
91001688 Capital Grant Program Equity	3,860	0
30000879 Weatherization Plus Health Matchmaker Program	3,714	0
40000147 2021-23 Library Capital Improvement Program (LCIP) Grants	3,633	0
91001157 2019 Local and Community Projects	3,566	0
30000872 2017-19 Housing Trust Fund Program	3,464	0
40000143 2021-23 Building for the Arts Grant Program	3,307	0
40000285 2023-25 Early Learning Facilities – School Districts	3,025	0
91001660 2021-23 Dental Capacity Grants	2,698	0

pv = Partial Veto; v = Veto

June 23, 2025 10:58 AM

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2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000291 2023-25 Weatherization Plus Health	2,323	0
92000939 Enhanced Shelter Capacity Grants	1,930	0
91001687 Infrastructure Projects	1,577	0
91001659 Continuing Affordability in Current Housing	1,286	0
91001239 Library Capital Improvement Program	1,263	0
91001690 Food Banks	1,033	0
91002637 The Arc Legacy Center	1,000	0
92001122 Increasing Housing Inventory	1,000	0
40000150 2021-23 Weatherization Plus Health	960	0
91001686 Work, Education, Health Monitoring Projects	778	0
40000140 2021-23 Early Learning Facilities-School Districts Grant	744	0
40000282 Dig-Once Pilot Project and Enhanced Program Development	500	0
92001367 Public Facility Improvement Fund	163	0
40000009 PWAA Preconstruction and Emergency Loan Programs	38	0
91002476 Climate Resilience & Environmental Equity Campus	7	0
91002160 2022 Permanent Supportive Housing Remediation	6	0
40000677 2025-27 Housing Trust Fund	0	605,238
40000709 2026 Local and Community Projects	0	194,932
40000667 2025-27 Behavioral Health Facilities	0	129,847
40000675 2025-27 Connecting Housing to Infrastructure Program	0	100,000
40000672 2025-27 Public Works Board	0	100,000
40000656 2025-27 Early Learning Facilities - Eligible Organizations	0	87,128
40000669 2025-27 Building Communities Fund Program	0	49,082
40000679 2025-27 Clean Energy Fund Program	0	31,000
92001953 Local Infrastructure	0	25,593
92001957 Affordable Housing Supply and Preservation	0	22,236
40000668 2025-27 Building for the Arts Grant Program	0	18,000
91002685 Grants for Recovery Residences	0	14,773
91002939 Revitalized Local and Community Projects	0	14,596
40000663 2025-27 Early Learning Facilities - School Districts	0	12,119
92002217 Open Doors Multicultural Village	0	12,000
40000671 2025-27 Weatherization Plus Health Grants	0	10,000
40000670 2025-27 Energy Retrofits for Public Buildings Grants	0	10,000
91002686 Youth Shelters and Housing	0	9,094
92001956 Transit Oriented Housing Development	0	8,271
40000660 2025-27 Defense Community Compatibility Account	0	7,700
40000661 2025-27 Youth Recreational Facilities Program	0	7,688
92002197 Medically Tailored Meals Coalition of WA	0	6,625
40000662 2025-27 Library Capital Improvement Program	0	6,503
40000658 2025-27 CERB Capital Construction	0	6,330
40000682 2025-27 Solar and Energy Storage Grants	0	5,650
92001952 2025-27 Dental Capacity Grants	0	5,483
92002227 New Health Medical Dental Behavioral Workforce	0	5,050
91000419 City of Centralia Nitrates Project	0	5,000
40000684 2025-27 Low-Income Home Rehabilitation Grant Program	0	5,000
40000680 2025-27 Communities of Concern	0	4,021
91000415 Water Quality Projects	0	3,800
92002230 2025-27 School-based Health and Behavioral Health Clinics	0	2,604
91002737 TVW Facilities	0	2,500
40000657 2025-27 Regional Approaches Program	0	2,000
40000659 2025-27 Pacific Tower Capital Improvements	0	1,913
Total	1,747,218	1,551,276

pv = Partial Veto; v = Veto

June 23, 2025 10:58 AM

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2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
Office of Financial Management		
20082856 Cowlitz River Dredging	2,000	0
30000041 Emergency Repairs	0	5,000
91000440 Capital Budget Cost Study	0	150 Vetoed
Total	2,000	5,150
Department of Enterprise Services		
92000020 Legislative Campus Modernization	66,585	49,501
40000226 Capitol Campus Security & Safety Enhancements	6,316	0
40000338 Old Cap - Roof Replacement	5,224	0
40000317 GA - Building Demolition	2,705	6,116
40000314 Modular Building - Critical Repairs & Upgrades	2,550	25,000
91000450 2023-25 Capitol Campus Security	2,025	0
40000245 Campus - Critical Fire System Upgrades	2,006	0
40000393 Capitol Campus Emergency Generator Replacement	812	0
91000474 LSS - Dolliver Building Relocation	500	340
92000040 Temple of Justice HVAC, Lighting & Water Systems	469	0
40000331 Washington Building	397	0
40000249 NRB - Replace Piping for Wet Fire Suppression	246	9,493
40000180 21-31 Statewide Minor Works - Preservation	212	0
30000786 Elevator Modernization	167	0
30000812 Campus Physical Security & Safety Improvements	149	0
40000448 Executive Guard Post One	13	0
92000058 Cal Anderson Memorial	1	315
40000244 Facility Professional Services Staffing	0	22,297
30000791 Legislative Building Systems Rehabilitation	0	17,125
40000340 Legislative Building Centennial Skylights	0	4,744
40000505 Minor Works - Infrastructure	0	2,259
40000474 Capitol Campus Arc Flash Study	0	1,354
40000333 East Plaza - Water Infiltration & Elevator Repairs	0	580
Total	90,377	139,124
Military Department		
30000591 Joint Force Readiness Center: Replacement	11,869	0
30000592 King County Area Readiness Center	6,566	0
40000192 Camp Murray Bldg 34 Renovation	4,473	0
40000274 Minor Works Program 2023-25 Biennium	3,972	0
30000930 Snohomish Readiness Center	3,456	0
40000301 Minor Works Preservation 2023-25 Biennium	2,469	0
40000194 Moses Lake Readiness Center Renovation	2,102	349
40000290 WA Army National Guard Vehicle Storage Buildings	750	0
40000367 Tumwater Field Maintenance Shop	480	3,700
40000311 Kent Readiness Center Water Damage Repairs	402	0
30000808 Tri-Cities Readiness Center	340	0
40000300 Spokane Readiness Center IT Infrastructure Upgrade	297	0
40000004 Anacortes Readiness Center Major Renovation	152	0
40000346 Minor Works Preservation 2025-27 Biennium	0	5,751
40000345 Minor Works Program 2025-27 Biennium	0	1,441
40000356 Geiger Field 402 Renovation	0	465
40000354 Geiger Field 200 Restoration	0	436
40000359 Longview Readiness Center Renovation	0	295
40000350 Yakima Readiness Center Repairs	0	193
40000403 Redmond Readiness Center (500 and 501) Renovation	0	127
40000349 Moses Lake Readiness Center Stormwater Repairs	0	113
40000368 Yakima Readiness Center Deep Energy Retrofit and Decarbonization	0	78
Total	37,328	12,948

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
Dept of Arch and Hist Preservation		
40000015 2023-25 Historic County Courthouse Rehabilitation Grant Program	2,624	0
40000006 2021-23 Historic County Courthouse Rehabilitation Program	1,502	0
40000018 2023-25 Heritage Barn Grant Program	866	0
40000017 2023-25 Historic Theater Capital Grant Program	383	0
40000016 2023-25 Historic Cemetery Grant Program	349	0
40000005 2021-23 Heritage Barn Grants	280	0
40000012 2021-23 Historic Theater Capital Grant Program	62	0
40000007 2021-23 Historic Cemetery Grant Program	34	0
40000040 2025-27 Historic County Courthouse Rehabilitation Grant Program	0	7,443
40000038 2025-27 Heritage Barn Grants	0	900
40000037 2025-27 Historic Cemetery Capital Grant Program	0	515
40000039 2025-27 Historic Theater Capital Grant Program	0	515
Total	6,100	9,373
Total Governmental Operations	1,883,023	1,718,801
Human Services		
Wa St Criminal Justice Train Comm		
40000042 Northwest Region Training Facility Renovation and Upgrades	1,082	0
40000043 Cafeteria Water Damage Repairs	200	0
40000041 Shooting Range Indoor Ventilation System	0	2,910
40000025 Omnibus Minor Works	0	2,616
92000014 Dormitory Buildings	0	35
92000015 Indoor Shooting Range Replacement	0	35
Total	1,282	5,596
Dept of Social and Health Services		
91000067 Western State Hospital: New Forensic Hospital	581,956	282,000
92000046 Maple Lane - Rapid BH Bed Capacity	18,932	22,107
91000077 BH: State Owned, Mixed Use Community Civil 48-Bed Capacity	15,747	0
92000057 Eastern State Hospital-Activity Therapy Building	7,225	0
40000954 Minor Works Preservation 2023-25	6,480	0
30003577 Special Commitment Center-Community Facilities: New Capacity	5,946	0
40000946 Fircrest School-ICF Cottages: HVAC & Water Heater Improvements	5,410	0
91000084 Child Study & Treatment Center - Youth Housing	5,104	0
40000965 Special Commitment Center-Campus: Fire Alarm Replacement	5,065	0
40000578 Statewide-Behavioral Health: Patient Safety Improvements 2021-23	4,134	0
40000573 Rainier School-Cottages: Roofing Replacement	3,460	0
40000953 Minor Works Programmatic 2023-25	3,434	0
40000606 Eastern State Hospital-Commissary: Building Repairs	3,350	0
30002238 Lakeland Village: Code Required Campus Infrastructure Upgrades	2,773	0
40000411 Child Study and Treatment Center-Ketron: LSA Expansion	2,731	0
30002765 Western State Hospital-Forensic Services: Two Wards Addition	2,696	0
40000392 Western State Hospital-Multiple Buildings: Fire Doors Replacement	2,681	0
40000955 DOC/DSHS McNeil Island-Infrastructure: Repairs & Upgrades 2023-25	2,451	0
40000571 Minor Works Preservation Projects: Statewide 2021-23	2,314	0
91000080 Western State Hospital Treatment & Recovery Center	1,954	0
40001089 Western State Hospital-Water System: Assessment and Improvements	1,922	27,162
40000555 Child Study & Treatment Center-Gymnasium: Floor Replacement	1,909	0
40000971 Rainier School-Laundry: Commercial Washing Machines Replacement	1,855	0

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000404 Eastern State Hospital-Eastlake & Westlake: Fire & Smoke Controls	1,553	0
91000066 DSHS & DCYF Fire Alarms	1,470	0
30002759 Eastern State Hospital-Westlake: New HVAC DDC Controls	1,456	0
40000964 Medical Lake-Campus: Electrical Feeder Replacement	1,271	0
40000594 Western State Hospital-Multiple Bldgs: Sprinkler Head Replacement	1,246	0
40000589 Western State Hospital-Building 29: Roofing Replacement	1,060	0
40000405 Eastern State Hospital-Westlake: Fire Stops	891	0
40000970 Eastern State Hospital-Eastlake: Nursing Station Improvements	879	0
40001145 Olympic Heritage Behavioral Health – Facility Modernization	855	6,037
30003211 DOC/DSHS McNeil Island-Infrastructure: Repairs & Upgrades	839	0
40000559 Child Study & Treatment Center-Emergency Power: Replacement	800	0
91000019 ESH and WSH-All Wards: Patient Safety Improvements	782	0
40000572 Lakeland Village-Cottages: Roofing Replacement	590	0
30002755 Fircrest School-Nursing Facilities: Replacement	583	0
30003616 Eastern State Hospital: Emergency Electrical System Upgrades	577	0
40000492 Eastern State Hospital-EL & WL: HVAC Compliance & Monitoring	504	0
40000888 Western State Hospital-Building 27: Roofing Replacement	437	0
40000569 Minor Works Program Projects: Statewide 2021-23	426	0
91000075 BH: State Operated Community Civil 16-Bed Capacity	275	0
30000415 Fircrest School-Back-Up Power & Electrical Feeders	273	0
30000468 Eastern State Hospital: New Boiler Plant	255	0
30002752 Rainier School-Multiple Buildings: Roofing Replacement & Repairs	221	0
30003234 DOC/DSHS McNeil Island-Main Dock: Float & Dolphin Replacement	183	0
40001140 Diversion and Recovery Community Capacity	149	0
30003849 Behavioral Health: Compliance with Systems Improvement Agreement	124	0
40000567 Maple Lane-Columbia Cottage: Behavioral Health Expansion	88	0
30002235 Minor Works Preservation Projects: Statewide	80	0
30003569 State Psychiatric Hospitals: Compliance with Federal Requirements	67	0
30003579 Western State Hospital-Multiple Buildings: Fire Suppression	55	0
40000381 Minor Works Preservation Projects: Statewide 2019-21	53	0
30003601 Fircrest School: Campus Master Plan & Rezone	44	0
30003582 Western State Hospital-Multiple Buildings: Elevator Modernization	39	0
40000948 Western State Hospital-Building 29: CMS Certification	30	0
91000078 Rainier School-PATS E,C Cottage Cooling Upgrades	28	0
30003603 Western State Hospital-Forensic Services: Roofing Replacement	26	0
91000070 Western State Hospital & CSTC Power Upgrades	22	0
40001182 Statewide - Infrastructure: Emergency Generator Replacement	0	22,611
40001175 Olympic Heritage Behavioral Health - Joint Commission Compliance	0	8,772
40001155 Minor Works 2025-27	0	7,832
40001186 Western State Hospital-Campus Shower Upgrades	0	1,775
40000959 Statewide: Communications Systems Condition Assessment	0	1,736
91000094 Medical Lake Land Transfer	0	100
Total	707,760	380,132
Department of Health		
30000379 Public Health Lab South Laboratory Addition	53,872	0
40000065 Drinking Water System Rehabilitations and Consolidations	5,322	0
40000072 Emergency Generator for Environmental Laboratory Wing	3,066	0
40000063 New Deionized Water (DI) Piping at Public Health Laboratories	686	0
40000027 2019-21 Drinking Water System Repairs and Consolidation	342	0
40000006 Drinking Water System Repairs and Consolidation	292	0
92000208 Lower Yakima Valley Groundwater Management Area Water Supply	270	0
40000054 New LED lighting and controls in existing laboratory spaces	28	0
91000035 2025-27 Minor Works	0	640
40000041 Reroute Existing Water Supply Mains	0	623
Total	63,878	1,263

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
80001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
Department of Veterans Affairs		
91000013 DVA ARPA Federal Funds & State Match	10,055	0
30000094 Minor Works Facilities Preservation	1,407	0
40000099 WVH - Fire Alarm Replacement - 240 Building	1,235	0
40000070 WSVC - Raise, Realign, and Clean Markers	598	0
40000092 WSVC - Burial and Columbarium Expansion Grant	79	0
40000006 WVH HVAC Retrofit	5	0
40000109 SVH - Skilled Nursing Facility Replacement	0	8,000
40000114 Transitional Housing Program Roosevelt Barracks HVAC Replacement	0	5,576
40000116 Transitional Housing Program Betsy Ross Building HVAC Replacement	0	4,356
40000119 SE Washington Veterans Cemetery	0	500
Total	13,379	18,432
Dept of Children, Youth, & Families		
40000546 Echo Glen Secure Facility Improvements	10,653	800
30003237 Green Hill School-Recreation Building: Replacement	5,959	0
40000557 Statewide Minor Works	2,109	0
40000547 Echo Glen Emergency Generator & Fuel Storage Tank	2,100	0
40000584 Green Hill School HVAC Upgrades	1,996	4,500
40000552 Green Hill Spruce Living Unit Renovation Minimum Security	1,071	0
40000534 Green Hill School - Baker North Remodel	1,056	0
40000586 Echo Glen Academic School Walkway Roofing & Lighting	498	0
30002736 Echo Glen-Housing Unit: Acute Mental Health Unit	264	0
40000593 Echo Glen Upper Campus Main Boiler HVAC Replacement	0	8,200
40000589 Minor Works Project	0	5,578
40000596 Green Hill School Visitor Screening & Security Improvements	0	4,500
91000078 Additional Juvenile Rehabilitation Capacity	0	3,000
40000603 Echo Glen Central Family Visiting Center	0	250
Total	25,706	26,828
Department of Corrections		
40000246 MCC: SOU and TRU - Domestic Water and HVAC Piping System	25,691	13,897
92000037 WSP: Unit Six Roof Replacement	10,500	0
40000180 MCC: WSR Clinic Roof Replacement	6,104	0
30001128 SCCC Roof Replacement	5,749	0
40000067 ECWR: Foundation and Siding	5,559	0
40000427 Minor Works Preservation Projects	5,222	0
40000526 WSP: IMU South Fire Protection & Smoke Dampers	4,622	0
30001123 SW IMU Recreation Yard Improvement	2,997	3,614
40000414 CRCC Sage Unit Move to AHCC	2,353	0
30000697 WCC: Paint & Repair 300,000 Gallon Water Storage Tank	1,677	0
40000254 Minor Works - Preservation Projects	1,590	0
30000738 MCC: TRU Roof Programs and Recreation Building	1,489	0
40000260 WCC: Interim Mental Health Building	1,207	0
40000324 CBCC: Fire Pump Replacement	1,152	0
40000528 WCC: Medical Intake Modular Building	1,146	0
40000416 CRCC: Modular Building for Health Service Staff	1,134	0
40000415 AHCC: Modular Building for Health Service Staff	1,122	0
30000117 MCC: WSR Perimeter Wall Renovation	869	3,674
30000143 Washington Corrections Center: Transformers and Switches	856	0
40000523 SW: Security Electronics Renewal & Adaptation	800	4,825
40000418 McNeil Island Passenger Ferry Replacement	764	0
40000525 SW: Perimeter Fence Detection Stabilization Project	750	6,445
40000524 SW: Fire Alarm Systems Stabilization Project	750	6,100

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
80001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000419 McNeil Island Transport Barge Replacement	722	6,128
40000263 WCCW: MSC Living Unit Bathroom Renovations	488	8,448
40000516 Westside Prison Housing Unit HVAC	350	0
40000527 WCCW: Women's Elder Care Unit	223	0
40000380 WCC: Support Buildings Roof Replacement	169	0
92001125 Corrections Training Center	17	0
40000770 WCCW: Replace Roofs Bldgs C, H, B, G, U & W	0	6,749
40000769 Minor Works - Preservation Projects	0	6,000
40000781 McNeil Island Parcel Analysis	0	522
Total	86,072	66,402
Total Human Services	898,077	498,653
Natural Resources		
Department of Ecology		
40000583 2023-25 Columbia River Water Supply Development Program	60,759	0
40000476 2023-25 Chehalis Basin Strategy	56,450	0
40000540 2023-25 Floodplains by Design	47,320	0
40000572 2023-25 Yakima River Basin Water Supply	44,368	0
40000565 2023-25 Streamflow Restoration Program	40,000	0
40000399 2021-23 Columbia River Water Supply Development Program	31,169	0
40000397 2021-23 Streamflow Restoration Program	30,369	0
40000387 2021-23 Chehalis Basin Strategy	24,930	0
40000152 2019-21 Columbia River Water Supply Development Program	19,361	0
40000177 2019-21 Streamflow Restoration Program	17,697	0
92000200 North Shore Levee	17,467	17,000
40000422 2021-23 Yakima River Basin Water Supply	15,270	0
40000389 2021-23 Floodplains by Design	15,264	0
40000129 2019-21 Floodplains by Design	14,795	0
92000076 Storm Water Improvements	8,802	0
30000458 Remedial Action Grants	8,262	0
40000179 2019-21 Yakima River Basin Water Supply	5,727	0
40000605 2023-25 Zosel Dam Preservation	5,205	0
40000396 2021-23 Puget Sound Nutrient Reduction Grant Program	4,467	0
30000712 Columbia River Water Supply Development Program	4,201	0
40000391 2021-23 Sunnyside Valley Irrigation District Water Conservation	3,903	0
91000373 2021-23 Water Banking	3,707	0
30000714 Watershed Plan Implementation and Flow Achievement	3,287	0
40000559 2023-25 Sunnyside Valley Irrigation District Water Conservation	3,246	0
92000205 2023-25 Drought Response	2,720	0
40000111 2019-21 Sunnyside Valley Irrigation District Water Conservation	2,330	0
40000116 2019-21 Centennial Clean Water Program	2,304	0
40000538 2023-25 Swift Creek Natural Asbestos Flood Control and Cleanup	2,000	0
40000570 Elevator Restorations at Ecology Facilities	1,728	0
30000673 Sunnyside Valley Irrigation District Water Conservation	1,653	0
40000718 State Parks Relocation to Ecology Headquarters Building	1,618	0
91000347 Skagit Water	1,521	0
40000530 2023-25 PFAS Contaminated Drinking Water	1,500	0
30000589 Sunnyside Valley Irrigation District Water Conservation	1,125	0
30000591 Watershed Plan Implementation and Flow Achievement	875	0
30000331 Watershed Plan Implementation and Flow Achievement	857	0
30000763 2015-17 Restored Clean Up Toxic Sites – Puget Sound	658	0
30000590 Yakima River Basin Water Supply	294	0
30000333 Dungeness Water Supply & Mitigation	242	0
30000740 Water Irrigation Efficiencies Program	204	0
20042951 Twin Lake Aquifer Recharge Project	129	0
40000193 Zosel Dam Preservation	78	0

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
20081951 Transfer of Water Rights for Cabin Owners	57	0
40000724 2025-27 Chehalis Basin Strategy	0	73,029
40000660 2025-27 Floodplains by Design	0	59,629
40000681 2025-27 Columbia River Water Supply Development Program	0	55,385
40000705 2025-27 Yakima River Basin Water Supply	0	52,020
40000725 2025-27 Streamflow Restoration Program	0	40,000
92000226 Capitol Lake-Deschutes Estuary Project	0	14,750 Vetoed
92000220 Yakima Tieton Irrigation Canal	0	8,500
40000720 2025-27 Puget Sound Nutrient Reduction Grant Program	0	5,000
40000658 2025-27 Swift Creek Natural Asbestos Flood Control and Cleanup	0	4,000
40000674 2025-27 Sunnyside Valley Irrigation District Water Conservation	0	3,320
Total	507,919	332,633
State Parks and Recreation Comm		
40000153 Nisqually New Full Service Park	30,682	0
92001128 2023-25 State Parks Capital Projects Pool	19,519	0
92000017 2021-23 State Parks Capital Preservation Pool	13,645	0
91000443 2023-25 Capital Preservation Pool	11,928	0
92000014 State Parks Capital Preservation Pool	5,043	0
40000364 Minor Works - Preservation 2021-23	3,764	0
30000820 Kopachuck Day Use Development	3,539	0
40000218 Saint Edward Maintenance Facility	2,297	0
40000202 Nisqually Day Use Improvements	2,063	953
40000188 Fort Flagler Historic Theater Restoration	1,384	0
40000438 Palouse to Cascades Trail - Trail Structure Repairs	1,196	0
40000365 Minor Works - Program 2021-23	1,067	0
30000097 Fort Flagler - Welcome Center Replacement	967	0
92001127 Enhancement of Puget Sound Pump Out Facilities	758	0
40000053 Saltwater - Green Vision Project	450	0
30000959 Mount Spokane - Maintenance Facility Relocation from Harms Way	443	0
40000151 Preservation Minor Works 2019-21	271	0
30000305 Sun Lakes State Park: Dry Falls Campground Renovation	262	0
40000461 Lake Sammamish Dock Design & Permitting	250	0
30000416 Lake Chelan State Park Moorage Dock Pile Replacement	240	0
30000983 Palouse Falls Day Use Area Renovation	204	0
40000186 Fort Ebey Replace Campground Restroom	128	0
40000016 Statewide Electric Vehicle Charging Stations	86	0
91000441 Anderson Lake - New Day Use Facilities and Trail Development	80	0
30001019 Statewide New Park	47	0
40000156 Sun Lakes - Dry Falls Visitor's Center Renovation	0	6,382
92001133 2025-27 State Parks Capital Preservation Pool	0	5,600
30001024 Klickitat Trail Suburbia Bridge Replacement	0	4,066
40000123 Ocean City Fish Barrier Removal	0	3,895
40000473 Fort Worden Beach Campground Electrical Upgrades	0	2,864
40000207 Wallace Falls Parking Expansion	0	2,386
40000460 Twin Harbors South Beach Area Admin and Maint Facility	0	1,366
40000394 Moran Campground Renovation	0	1,275
40000485 Fort Flagler WWI Historic Facilities Preservation	0	1,230
30000982 Mount Spokane Road Improvements	0	938
30000177 Lake Easton - Infrastructure Improvements	0	780
91000454 Cama Beach State Park Study	0	600 Vetoed
40000487 Moran Staff Housing	0	567
40000235 Twanoh State Park Shoreline Restoration	0	533
40000483 Potlatch Day Use Comfort Station Removal	0	419
40000489 Rasar Day Use Upgrades	0	324
40000499 Millersylvania Retreat Center Road Fish Barrier Removal	0	245
Total	100,313	34,423

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
<i>Rec/Conserv Funding Board</i>		
40000053 2023-25 Washington Wildlife Recreation Program	99,610	0
40000019 2021-23 - Washington Wildlife Recreation Grants	52,756	0
40000031 2021-23 - Puget Sound Acquisition and Restoration	28,980	0
40000061 2023-25 Puget Sound Acquisition and Restoration	27,812	0
40000002 2019-21 - Washington Wildlife Recreation Grants	21,116	0
40000064 2023-25 Brian Abbott Fish Barrier Removal Board	21,023	0
40000054 2023-25 Salmon Recovery Funding Board Grant Programs	14,976	0
40000035 2021-23 - Brian Abbott Fish Barrier Removal Board	12,684	0
30000409 2017-19 Washington Wildlife Recreation Grants	12,247	0
40000021 2021-23 - Salmon Recovery Funding Board Programs	12,183	0
40000062 2023-25 Estuary and Salmon Restoration Program	9,654	0
40000063 2023-25 Washington Coastal Restoration and Resiliency Initiative	7,704	0
92000458 Community Outdoor Athletic Facilities Program	5,900	0
40000009 2019-21 - Puget Sound Acquisition and Restoration	5,240	0
40000029 2021-23 - Aquatic Lands Enhancement Account	4,733	0
40000060 2023-25 Community Forest Grant Program	4,411	0
40000027 2021-23 - Youth Athletic Facilities	4,376	0
40000004 2019-21 - Salmon Recovery Funding Board Programs	4,367	0
40000045 2021-23 - Puget Sound Estuary and Salmon Restoration Program	4,175	0
92000131 Recreation & Conservation Office Recreation Grants	3,969	0
40000047 2021-23 - Community Forest Grant Program	3,382	0
30000220 Washington Wildlife Recreation Grants	3,112	0
40000503 Planning for Recreation Access Grants	2,797	0
40000012 2019-21 - Brian Abbott Fish Barrier Removal Board	2,715	0
30000414 Puget Sound Acquisition and Restoration	2,612	0
40000007 2019-21 - Youth Athletic Facilities	2,405	0
40000059 2023-25 Aquatic Lands Enhancement Account	2,308	0
91000958 Upper Quinalt River Restoration Project	1,906	0
40000033 2021-23 - Washington Coastal Restoration Initiative	1,627	0
30000413 Aquatic Lands Enhancement Account	1,613	0
40000008 2019-21 - Aquatic Lands Enhancement Account	1,429	0
91001662 Fish Barrier Removal Projects in Skagit County	1,254	0
40000010 2019-21 - Puget Sound Estuary and Salmon Restoration Program	1,051	0
30000221 Salmon Recovery Funding Board Programs	1,042	0
92000461 City of LaCenter Breeze Creek Culvert Replacement	1,000	0
30000408 Salmon Recovery Funding Board Programs	967	0
30000420 Washington Coastal Restoration Initiative	958	0
30000415 Puget Sound Estuary and Salmon Restoration Program	847	0
40000049 2021-23 - Outdoor Recreation Equity	643	0
91000448 Coastal Restoration Grants	622	0
40000011 2019-21 - Washington Coastal Restoration Initiative	567	0
30000412 Youth Athletic Facilities	501	0
91001663 Springwood Ranch in Kittitas County	202	0
40000017 2019-21 Family Forest Fish Passage Program	119	0
40000001 Family Forest Fish Passage Program	97	0
40000548 2025-27 Washington Wildlife Recreation Program	0	120,000
40000554 2025-27 Puget Sound Acquisition and Restoration	0	50,438
40000564 2025-27 Brian Abbott Fish Barrier Removal Board	0	27,402
40000550 2025-27 Salmon Recovery Funding Board Grant Programs	0	25,000

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000552 2025-27 Salmon Recovery Funding Board Riparian Grant Programs	0	20,000
40000556 2025-27 Youth Athletics Facilities	0	19,767
40000566 2025-27 Estuary and Salmon Restoration Program	0	6,668
40000562 2025-27 Community Forest Grant Program	0	6,248
40000568 2025-27 Washington Coastal Restoration and Resiliency Initiative	0	5,800
40000582 2025-27 Planning for Recreation Access	0	1,302
40000560 2025-27 Aquatic Lands Enhancement Account	0	749
Total	393,692	283,374
State Conservation Commission		
40000017 2021-23 Regional Conservation Partnership Program (RCPP) Match	5,260	0
40000024 2023-25 Farmland Protection and Land Access	3,921	0
40000013 2021-23 Conservation Reserve Enhancement Program (CREP)	2,959	0
40000009 2019-21 Water Irrigation Efficiencies Program	2,738	0
40000022 2023-25 Natural Resource Investment for the Economy & Environment	2,602	0
40000021 2023-25 VSP Project Funding	2,528	0
40000014 2021-23 Water Irrigation Efficiencies Program	2,000	0
40000029 2023-25 Improve Shellfish Growing Areas	1,909	0
40000023 2023-25 Conservation Reserve Enhancement Program (CREP)	1,854	0
92001497 Skagit County Voluntary Stewardship	770	0
92000017 Whitman County Fire Recovery	383	0
40000028 2023-25 Washington Shrubsteppe Restoration & Resiliency Initiativ	344	0
40000026 2023-25 Regional Conservation Partnership Program (RCPP)	92	0
40000025 2023-25 Irrigation Efficiencies	16	0
40000045 2025-2027 Water Resource Conservation Irrigation Efficiencies	0	7,000
40000043 2025-2027 Regional Conservation Partnership Program Match	0	6,320
40000046 2025-2027 Natural Resources Investments for the Economy and Envir	0	5,000
40000049 2025-2027 Voluntary Riparian Grant Program	0	5,000
40000044 2025-2027 Farmland Protection and Land Access	0	4,000
40000047 2025-2027 Improve Shellfish Growing Areas	0	3,500
40000048 2025-2027 Voluntary Stewardship Program (VSP) Capital Cost-Share	0	3,000
40000050 2025-2027 Washington Shrubsteppe Restoration and Resiliency	0	3,000
92001498 2025-27 WSCC Capital Project Management	0	1,906
Total	27,376	38,726
Department of Fish and Wildlife		
30000671 Naselle Hatchery Renovation	26,516	9,324
30000660 Wallace River Hatchery - Replace Intakes and Ponds	19,387	4,500
40000163 Duckabush Estuary Habitat Restoration	13,189	0
30000663 Spokane Hatchery Renovation	8,506	12,978
40000164 Minor Works Preservation 23-25	7,137	0
30000277 Minter Hatchery Intakes	6,673	4,497
40000148 SRKW - Voights Creek Hatchery Modifications	3,273	0
91000163 Tribal Hatcheries	3,137	0
40000255 Sekiu Boat Ramp Acquisition	2,703	0
30000680 Beaver Creek Hatchery - Renovation	2,037	7,000
40000178 Minor Works Programmatic 23-25	1,829	0
40000146 SRKW - Kendall Creek Hatchery Modifications	1,829	0
40000092 Minor Works Program 21-23	1,331	0
20062008 Deschutes Watershed Center	1,216	0
40000021 Toutle River Fish Collection Facility - Match	1,114	6,504
30000827 Forks Creek Hatchery - Renovate Intake and Diversion	1,084	0
40000089 Minor Works Preservation 21-23	1,054	0
30000830 Hurd Creek - Relocate Facilities out of Floodplain	973	0
91000162 Cooperative Elk and Deer Damage Fencing	935	0
40000175 SRKW - Palmer Ponds Expansion	906	5,821
40000147 SRKW - Sol Duc Hatchery Modifications	646	11,316

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June 23, 2025 10:58 AM

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2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
B0001 Project Summary By Agency
(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
92000050 Shrubsteppe and Rangeland Cooperative Wildlife Fencing	590	0
40000090 Fish and Wildlife Health and BioSecurity Facility	496	0
40000008 Minor Works Programmatic 2019-21	414	0
92000049 Naches Rearing Ponds	412	0
30000846 PSNERP Match	361	0
30000481 Wooten Wildlife Area Improve Flood Plain	313	0
30000662 2021-23 Cooperative Elk Damage Fencing	292	0
30000844 Dungeness Hatchery - Replace Main Intake	281	0
40000161 Klickitat WLA - Simcoe Fencing	250	0
30000753 Puget Sound and Adjacent Waters Nearshore Restoration - Match	227	0
92000051 Recreational Fishing Access on the Grande Ronde River	218	0
30000848 Kalama Falls Hatchery Replace Raceways and PA System	200	0
40000162 Taneum Creek Property Acquisition Post Closing Activities	136	0
30000276 Samish Hatchery Intakes	134	0
40000145 SRKW - New Cowlitz River Hatchery	124	0
91000161 Western Pond Turtle Nest Hill Restoration	112	0
30000826 Snow Creek Reconstruct Facility	98	0
40000087 Region 1 Office - Construct Secure Storage	56	0
30000214 Eells Springs Hatchery Renovation	51	0
30000661 Soos Creek Hatchery Renovation	0	7,726
40000278 Minor Works Preservation 2025-27	0	6,000
30000843 Samish Hatchery - Friday Creek Intake & Fish Passage	0	1,964
40000269 Bingham Creek Smolt & Adult Trap Site Repair & Upgrade	0	1,878
40000168 Sol Duc Barrier and Boat Chute Replacement	0	1,137
40000279 Minor Works Programmatic 2025-27	0	1,000
40000272 Nemah Hatchery Weir Replacement	0	381
92001254 Point Whitney Appraisal and Sale	0	50
Total	110,240	82,076
Department of Natural Resources		
40000153 Webster Nursery Seed Plant Replacement	5,933	0
40000077 2021-23 Forestry Riparian Easement Program	5,116	0
40000151 2023-25 Natural Areas Facilities Preservation and Access	4,722	0
40000154 2023-25 Minor Works Preservation	4,180	0
40000424 YMCA Camp Colman	3,670	0
40000162 2023-25 Minor Works Programmatic	2,955	0
40000141 2023-25 Safe and Sustainable Recreation	2,149	0
40000150 2023-25 Structurally Deficient Bridges	2,074	0
40000152 Revitalizing Trust Land Transfers	1,482	0
40000143 Whiteman Cove Restoration	1,462	0
91000099 Port of Willapa Harbor Energy Innovation District Grant	1,400	0
92000039 Camp Colman Cabin Preservation and Upgrades	1,301	0
40000082 Rural Broadband Investment	1,248	0
40000413 Recreational Target Shooting Pilot Sites	900	0
40000163 Eatonville Work Center and Fire Station	872	0
40000155 Correction of Fish Barrier Culverts	750	0
40000156 Omak Consolidation, Expansion and Relocation	585	6,000
40000409 Port Angeles Fire and Seasonal Employee Housing	444	0
40000157 Webster Nursery Production Expansion	379	0
91000328 Fallen Firefighter Memorial (SHB 2091)	371	0
40000092 2021-23 Road Maintenance and Abandonment Planning	312	0
40000411 Drought Resilience Infrastructure Investments	247	0
40000038 Teanaway	244	0
40000685 2025-27 Trust Land Transfer Program	0	16,900
40000561 2025-27 State Forest Land Replacement - Encumbered Lands	0	5,460
40000650 Webster Nursery Expansion	0	5,091

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June 23, 2025 10:58 AM

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Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
91000332 2025-27 Minor Works Preservation and Program	0	3,000
40000459 2025-27 Safe and Sustainable Recreation	0	2,958
40000467 2025-27 Natural Areas Facilities Preservation and Access	0	2,930
40000601 2025-27 Rivers and Habitat Open Space Program	0	2,326
40000442 Bridge Remediation	0	1,260
40000444 2025-27 School Seismic Safety Site Class Assessments	0	663
40000651 Colville Firefighter Housing Project	0	387
Total	42,796	46,975
Department of Agriculture		
92000006 2023-25 WA State Fairs Health and Safety Grants	4,623	0
92000005 2021-23 WA State Fairs Health and Safety Grants	385	0
91000011 State Lands Assessment	200	0
92000007 2025-27 WA State Fairs Health and Safety Grants	0	9,000
Total	5,208	9,000
Total Natural Resources	1,187,544	827,207
Transportation		
Washington State Patrol		
40000072 Crime Laboratory South I-5 Corridor Consolidated Facility	8,354	0
30000290 Crime Laboratory I-5 North Corridor Consolidated Facility	7,184	0
30000240 Vancouver Crime Lab - New Roof	1,102	0
40000097 Vancouver Crime Lab Chiller Replacement	988	0
40000081 Seattle Crime Laboratory Generator Replacement	450	0
40000077 Fire Training Academy Roof Replacement	283	0
30000171 FTA Emergency Power Generator Replacement	101	0
40000092 Fire Training Academy (FTA) Fuel Farm Refurbishment	0	1,000
40000091 Fire Training Academy (FTA) Maintenance Building Roof Replacement	0	300
Total	18,462	1,300
Department of Transportation		
40000004 2025-27 CARB Loans	0	5,000
Total Transportation	18,462	6,300
Higher Education		
University of Washington		
40000049 Magnuson Health Sciences Phase II- Renovation/Replacement	35,457	0
20091002 Anderson Hall Renovation	15,171	0
91000016 Ctr for Advanced Materials and Clean Energy Research Test Beds	11,533	0
40000100 Intellectual House - Phase 2	8,978	0
91000027 UWMC NW - Campus Behavioral Health Renovation	5,822	0
40000146 Chemical Sciences & Bagley Hall	5,000	124,000
40000101 UW Tacoma - Land Acquisition	4,199	0
30000378 UW Bothell	1,263	0
92000014 FIFA World Cup Improvements	0	1,700
Total	87,423	125,700
Washington State University		
40000342 New Engineering Student Success Building & Infrastructure	22,467	0
40000362 Eastlick-Abelson Renovation	5,750	0
40000361 Spokane Team Health Education Building	4,191	0
40000343 Knott Dairy Infrastructure	2,438	0
40000344 Bustad Renovation (SIM for Vet Teaching Anatomy)	1,782	0
40000340 Minor Capital Preservation 2023-25 (MCR)	652	0

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
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Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000284 Pullman Sciences Building	0	25,000
40000376 Wenatchee Tree Fruit Research & Ext. Center Plant Growth Facility	0	10,000
40000371 Vancouver Central Chiller Plant Upgrades	0	3,000
40000372 Puyallup Washington Animal Disease Diagnostic Lab Facility	0	3,000
92001136 Greenhouse Renovations	0	750
40000373 Pullman Dairy Modernization	0	500
92001137 Ensminger Beef Center	0	150
Total	37,280	42,400
Eastern Washington University		
30000507 Science Renovation	52,089	0
40000114 Infrastructure Renewal IV	7,268	0
40000116 Minor Works: Preservation 2023-25	2,843	0
40000070 Infrastructure Renewal III	739	0
40000113 Martin - Williamson Hall	64	0
40000157 Dental Therapy Lab and Clinic	0	10,498
91000031 2025-27 Minor Works Preservation and Program	0	6,000
Total	63,003	16,498
Central Washington University		
40000081 Humanities & Social Science Complex	45,825	11,158
40000123 Multicultural Center	4,874	0
40000128 Minor Works Preservation 2023-2025	355	0
30000456 Nutrition Science	210	0
40000009 Health Education	114	0
40000121 Electrical Grid Security	43	0
30000836 Arts Education	38	0
40000163 Emergency Backup Power System	0	11,773
40000125 Aviation Degree Expansion	0	9,968
40000161 Secondary Geothermal Module	0	4,000
Total	51,459	36,899
The Evergreen State College		
30000125 Seminar I Renovation	19,884	0
40000085 Minor Works Preservation 2023-25	290	0
91000042 2025-27 Minor Works Preservation and Program	0	6,000
40000145 Labs 1 & 2 Third Floor Renovation	0	298
Total	20,174	6,298
Western Washington University		
30000919 Student Development and Success Center	46,589	0
30000604 Access Control Security Upgrades	6,213	9,070
40000008 Classroom, Lab, and Collaborative Space Upgrades	1,300	0
30000912 Coast Salish Longhouse	509	0
40000004 Environmental Studies Renovation	5	0
91000014 Minor Works Preservation and Program	0	1,340
Total	54,616	10,410
Community/Technical College System		
40000198 Wenatchee: Center for Technical Education and Innovation	48,209	0
40000168 Bellevue: Center for Transdisciplinary Learning and Innovation	38,420	0
40000190 Everett: Baker Hall Replacement	38,040	0
40000130 Bates: Fire Service Training Center	37,871	0
40000214 Shoreline: STE(A)M Education Center	32,801	0
40000102 Lake Washington: Center for Design	29,835	0
40000916 Bellingham Technical College: Campus Center Building	11,624	0

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
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(Dollars in Thousands)
Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
40000104 Tacoma: Center for Innovative Learning and Engagement	6,161	0
30000135 Clark College: North County Satellite	5,012	0
30000136 Everett Community College: Learning Resource Center	4,415	0
30001458 Spokane Falls: Fine and Applied Arts Replacement	4,406	0
40000721 Minor Works - Infrastructure Replacement (23-25)	4,130	0
40000204 Renton: Health Sciences Center	3,029	0
40000107 Spokane: Apprenticeship Center	2,995	0
40000103 Olympic Innovation and Technology Learning Center	1,836	31,054
40000516 Pierce College Olympic South Asbestos Abatement and Restoration	1,832	0
40000595 Minor Works - Facility Repairs (23-25)	1,720	0
40000293 Pierce Puyallup: STEM building	1,364	0
40000698 Minor Works - Site Repairs (23-25)	1,300	0
40000754 Minor Works - Program Improvements (23-25)	1,180	0
40000106 Lower Columbia: Center for Vocational and Transitional Studies	985	45,196
30000990 Shoreline: Allied Health, Science & Manufacturing Replacement	893	0
40000222 Cascadia: CCS Gateway building	819	0
40000114 Edmonds: Triton Learning Commons	495	0
30000127 Grays Harbor College: Student Services and Instructional Building	420	0
30001452 Walla Walla Science and Technology Building Replacement	36	0
40000110 Skagit: Library/Culinary Arts Building	13	0
40000109 Centralia: Teacher Education and Family Development Center	6	0
92001125 Minor Works Preservation and Program	0	96,806
40000108 Columbia Basin: Performing Arts Building Replacement	0	54,548
40000137 Whatcom: Technology and Engineering Center	0	51,042
40001337 2025-27 Career Preparation and Launch Grants	0	3,000
40001150 Grays Harbor College: Lake Swano Dam	0	1,000
Total	279,847	282,646
Total Higher Education	593,802	520,851

K-12 Schools

Supt of Public Instruction

40000034 2021-23 School Construction Assistance Program	59,449	0
92001066 2024 School Construction Assistance Program Enhancement	55,000	0
40000066 2023-25 School Seismic Safety Grant Program	40,000	0
92000928 2023-25 Distressed Schools	21,132	0
92000923 2021-23 School Seismic Safety Grant Program (5933)	15,429	0
40000063 2023-25 School Construction Assistance Program	11,352	0
40000065 2023-25 Small District & Tribal Compact Schools Modernization	10,717	0
92000917 2021-23 Distressed Schools	8,734	0
92000039 K-3 Class-size Reduction Grants	3,224	0
91000465 2021-23 Healthy Kids-Healthy Schools: Remediation of Lead	2,965	0
40000039 2021-23 Small District and Tribal Compact Schools Modernization	2,874	0
91000519 School-based Health and Behavioral Health Clinics	1,864	0
92000036 Pierce College at New Bethel High School	1,600	0
92000148 2019-21 School Seismic Safety Retrofit Program	1,545	0
91000483 Healthy Kids/Healthy Schools - T-12 Lighting	1,361	0
40000048 Pierce County Skills Center - Evergreen Building Modernization	1,348	0
40000040 2021-23 Skills Centers Minor Works	876	0
40000099 Chief Leschi School HVAC	819	0
92000142 2019-21 Distressed Schools	784	0
40000052 2021-23 School District Health and Safety	476	0
40000068 2023-25 Healthy Kids-Healthy Schools	422	0
40000051 Puget Sound Skills Center Preservation	345	0
40000050 Seattle Public Schools Skills Center - Rainier Beach High School	300	0
40000023 Skills Centers Minor Works	216	0
92000139 2019-21 Small District Modernization Grants	176	0

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June 23, 2025 10:58 AM

DRAFT

2025-27 Capital Budget
Enacted 25-27 Biennial Budget
Debt Limit Bonds
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Run: 6/23/2025 10:56 AM

	Reappropriation	New Appropriation
92000041 Distressed Schools	143	0
40000019 School District Health and Safety 2019-21	101	0
92000925 2022 Small District and Tribal Compact Schools Modernization	84	0
40000013 2019-21 School Construction Assistance Program - Maintenance Lvl	41	0
40000003 2017-19 School Construction Assistance Program	10	0
30000197 Tri-Tech Skill Center - Core Growth	4	0
92000140 2019-21 STEM Grants	4	0
92000931 2023-25 Agricultural Science in Schools Grant to FFA Foundation	3	0
40000153 2025-27 School Construction Assistance Program	0	425,065
40000150 2025-27 Small District and STEC Schools Modernization Program	0	201,821
40000159 2025-27 School Seismic Safety Grant Program	0	151,451
40000015 West Sound Technical Skills Center Modernization	0	42,000
40000146 2025-27 School District Health and Safety	0	31,000
92001915 2025-27 Distressed Schools	0	13,964
91002551 SCAPR Transitional Projects	0	6,000
92002069 School Security and Preparedness Infrastructure Grants	0	6,000
40000158 2025-27 Skills Center Minor Works	0	5,818
92001922 2025-27 Agricultural Science in Schools Grant to FFA Foundation	0	5,150
40000144 2025-27 Classroom Indoor Air Quality Projects	0	5,000
40000143 2025-27 School Inventory & Condition Data Collection	0	1,360
Total	243,398	894,629
Other Education		
State School for the Blind		
40000021 2023-25 Campus Preservation (Minor Works)	1,329	0
40000060 Minor works projects 2025-27	0	2,110
40000054 Dormitory Modernization	0	350
Total	1,329	2,460
WA St. Center for Child Deafness		
30000036 Academic and Physical Education Building	4,382	0
40000006 Northrop Primary School Building Renovation	905	16,162
40000012 2025-27 Minor Works	0	2,125
Total	5,287	18,287
Washington State Arts Commission		
30000004 Preserving State-owned Public Art	735	0
30000003 2023-25 Creative Districts Capital Projects Program	407	0
30000002 Creative Districts Capital Construction Projects	235	0
30000018 2025-27 Creative Districts Capital Construction Projects	0	416
Total	1,377	416
Washington State Historical Society		
40000150 HERITAGE CAPITAL GRANT PROJECTS 2023-25	6,849	0
40000099 Heritage Capital Grant Projects 2021-2023	4,520	0
40000145 Great Hall Core Exhibit Renewal	2,273	0
40000180 Preservation - Minor Works 2023-25	896	0
40000136 Preservation - Minor Works 2021-23	613	0
40000181 PROGRAM - MUSEUM AUDIO VISUAL UPGRADES	310	0
40000184 Heritage Capital Grants 2025-27	0	10,000
40000182 Preservation - Minor Works 2025-27	0	2,000
40000183 Permanent Gallery Renovation	0	1,386
Total	15,461	13,386

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June 23, 2025 10:58 AM

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2025-27 Capital Budget
Enacted 25-27 Biennial Budget
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	Reappropriation	New Appropriation
East Wash State Historical Society		
40000053 Garage & Emergency Exit Concrete Remediation	2,179	0
40000054 Minor Works: Preservation 2023-25	982	0
40000017 Campbell and Carriage House Repairs and Restoration	648	0
40000064 Museum Expansion and Modernization	0	600
Total	3,809	600
 Total Other Education	 27,263	 35,149
GOVERNOR VETO		
Governmental Operations		
<i>Office of Financial Management</i>		
91000440 Capital Budget Cost Study	0	(150)
Natural Resources		
<i>Department of Ecology</i>		
92000226 Capitol Lake-Deschutes Estuary Project	0	(6,000)
State Parks and Recreation Comm		
91000454 Cama Beach State Park Study	0	(600)
Total Natural Resources	0	(6,600)
Governor Veto Total	0	(6,750)
TOTALS		
Governor Veto Total	0	(6,750)
Statewide Total	4,851,569	4,494,840

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June 23, 2025 10:58 AM

EXECUTION VERSION

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1296

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,689,750,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR VARIOUS STATE PROJECTS IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AND AUTHORIZING AND DIRECTING THE SALE OF SAID BONDS IN ONE OR MORE SALES.

ADOPTED: JULY 8, 2025

Table of Contents

Section 1.	Definitions.....	1
Section 2.	Authorization and Purpose of the Bonds	4
Section 3.	Description of the Bonds	4
Section 4.	Place, Manner and Medium of Payment.....	4
Section 5.	Redemption; Purchase; Notice; Cancellation	5
Section 6.	State Debt Limit Not Exceeded	6
Section 7.	Security for Bonds	6
Section 8.	Deposits Into and Payments from Bond Fund	7
Section 9.	Enforcement of Rights	7
Section 10.	Form of Bonds	7
Section 11.	Execution of Bonds.....	7
Section 12.	Authentication and Delivery of Bonds by Bond Registrar	8
Section 13.	Bond Registrar; Registration of Bonds	8
Section 14.	Mutilated, Lost, Stolen or Destroyed Bonds.....	10
Section 15.	Defeasance	11
Section 16.	Sale of the Bonds	11
Section 17.	Official Statement	12
Section 18.	Delivery of Bonds	12
Section 19.	Disposition of Bond Proceeds.....	12
Section 20.	Tax Covenants	12
Section 21.	Undertaking to Provide Ongoing Disclosure.....	13
Section 22.	Alternate Use of Bond Proceeds.....	16
Section 23.	Contract; Severability	16
Section 24.	Filing of Resolution	16
Section 25.	Ratification.....	16
Section 26.	Immediate Effect.....	16
Exhibit 1 - Schedule of Bond Acts, Chapters and Laws, and Bond Funds		

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1296

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,689,750,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR VARIOUS STATE PROJECTS IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AND AUTHORIZING AND DIRECTING THE SALE OF SAID BONDS IN ONE OR MORE SALES.

WHEREAS, the Legislature of the State of Washington (the “State”) has authorized the issuance by the State Finance Committee (the “Committee”) of certain general obligation bonds more particularly described in Exhibit 1 of this resolution; and

WHEREAS, the Committee is authorized by chapter 39.42 RCW to provide for the issuance and sale of such bonds;

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

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this section 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:

Authorized General Obligation Bonds means the aggregate principal amount of the general obligation bonds authorized by the Bond Act.

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

Bond Act means, collectively, one or more of the Chapters and Laws set forth in Exhibit 1 attached hereto and specified in a Bond Sale Resolution as the particular authorization being used for a Series of Bonds.

Bond Fund means one or more of the debt service funds in the State Treasury created by Chapter 456, Laws of 1997, Sections 30 and 33, known as the Debt-limit General Fund Bond

Retirement Account and the Nondebt-limit Reimbursable Bond Retirement Account, as set forth on Exhibit 1 attached hereto and specified in a Bond Sale Resolution as the Bond Fund for a Series of Bonds.

Bond Register means the registration books on which are maintained the names and addresses of the Registered Owners of the Bonds.

Bond Registrar means the Fiscal Agent.

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.

Bonds means any or all of the general obligation bonds of the State, the sale and issuance of which are provided for in this resolution.

Chair means the Chair of the Committee.

Code means the Internal Revenue Code of 1986, as amended from time to time, together with all applicable rulings and regulations promulgated thereunder.

Commission means the Securities and Exchange Commission.

Committee means the State Finance Committee of the State, or any successor thereof.

Compound Accreted Value means the amount payable at maturity with respect to any deferred interest Bond equal to the original principal amount thereof and interest thereon, accrued from its date and compounded semiannually on each interest payment date at a rate per annum established by a Bond Sale Resolution.

Deputy State Treasurer means the Deputy State Treasurer and Secretary of the Committee.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for each Series of Bonds pursuant to Section 13 hereof.

Federal Credit Payments means amounts which the State is entitled to receive as a subsidy or tax credit payable by the United States Treasury to the State in respect of interest on any Bonds issued as Tax-Advantaged Bonds.

Fiscal Agent means the fiscal agency or fiscal agencies of the State as appointed from time to time by the Committee pursuant to chapter 43.80 RCW.

General State Projects means those projects identified in the Bond Act.

Issue Date means the date on which a Series of Bonds is delivered to the initial purchaser or purchasers thereof upon payment in full of the purchase price therefor.

Laws means the statutes of the State.

Legislature means the Legislature of the State.

Letter of Representations means the Blanket Issuer Letter of Representations from the State to DTC.

MSRB means the Municipal Securities Rulemaking Board.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding a payment date, unless another date is specified in a Bond Sale Resolution with respect to any Series of Bonds. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 5.

Registered Owner means, with respect to each Series of the Bonds, the person named as the registered owner of a particular Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

Series shall refer to each issue of Bonds issued in the future and identified by a separate series designation.

State means the State of Washington.

Taxable Bonds means all Bonds that are identified as taxable bonds in the Bond Sale Resolution.

Tax-Advantaged Bonds means any Bonds other than Tax-Exempt Bonds that are designated by the State as Bonds with respect to which the State is eligible to receive Federal Credit Payments or the holders of which are eligible to receive a federal tax credit under any federal subsidy or credit program available under the Code.

Tax-Exempt Bonds means all Bonds that are identified as tax-exempt bonds in the Bond Sale Resolution.

Term Bonds means all Bonds that are identified as term bonds in the Bond Sale Resolutions, the payment of which will be made from mandatory sinking fund deposits into the Bond Fund.

Underwriters means the underwriters identified in the Bond Sale Resolutions.

Section 2. Authorization and Purpose of the Bonds. For the purpose of providing funds to finance the General State Projects, and all costs incidental thereto, and for the payment of the expenses incurred in connection with the sale and issuance of the Bonds, the Committee hereby authorizes, on behalf of the State, the sale and issuance of the Bonds in one or more sales and one or more Series, all as provided in the Bond Act.

The Committee covenants on behalf of the State that no Series of Bonds will be offered for sale without prior appropriation by the Legislature of the net proceeds of sale of such Bonds, and that, as of the Issue Date of each Series of the Bonds, the aggregate principal amount of Authorized General Obligation Bonds that the Committee shall have sold and issued, including the Bonds, will not exceed the total principal amount authorized by the Bond Act to be issued.

Section 3. Description of the Bonds. The Bonds shall be in an aggregate principal amount of not to exceed \$5,689,750,000. The Tax-Exempt Bonds and Tax-Advantaged Bonds shall be designated "Various Purpose General Obligation Bonds," and the Taxable Bonds shall be designated "General Obligation Bonds (Taxable)," each with such additional Series designation or other designations established by a Bond Sale Resolution. Each Series of Bonds shall be dated as of their Issue Date; shall be issued in fully registered form; shall be in the denomination (or, as to deferred interest Bonds, a Compound Accreted Value at maturity) of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall mature on the date or dates in each of the years and in the principal amounts to be established by a Bond Sale Resolution. The Bond Sale Resolution shall designate whether all or a portion of the Bonds of a Series will be issued as serial bonds or Term Bonds.

Current interest Bonds of a Series shall bear interest from their Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable at such rate or rates on such interest payment dates as are established by the Bond Sale Resolution, to the maturity or earlier redemption thereof. Deferred interest Bonds shall bear interest from their date, payable at maturity, at such rate or rates compounded semiannually to produce the approximate yields to maturity as the Committee hereafter shall establish by a Bond Sale Resolution. If any Bond shall have been duly presented for payment and not paid on such applicable date, then interest shall continue to accrue thereafter at the interest rate stated on such Bond until it is paid.

Nothing in this resolution shall preclude the Committee from providing by separate resolution for the issuance and sale of a portion of the Bonds as a Series of variable interest rate Bonds.

Section 4. Place, Manner and Medium of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Interest

on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. If the Bonds of any Series are in fully immobilized form and held by DTC, such payments of principal and interest on such Series shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations to the Registered Owner at the address appearing on the Bond Register as of the Record Date.

If the Bonds of any Series are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Bonds (if agreed to by the Committee)) to the Registered Owners of the Bonds of such Series at the addresses for such Registered Owners appearing on the Bond Register on the Record Date. Principal and premium, if any, of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners to the Bond Registrar.

Section 5. Redemption; Purchase; Notice; Cancellation.

(a) Optional and Mandatory Redemption. The Bond Sale Resolution for a Series shall designate which maturities of the Series, if any, are subject to optional and mandatory redemption, and shall further provide for the time, manner and price at which such Series of Bonds may be redeemed prior to their stated maturities. As long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made in a random method determined by the Bond Registrar.

(b) Partial Redemption. Any Bond in the principal amount of greater than \$5,000 may be partially redeemed in any integral multiple of \$5,000. If the Bonds are no longer held in book-entry only form, then in such event, upon surrender of such Bond to the Bond Registrar, a new Bond or Bonds (at the option of the Registered Owner), of the same Series, date, maturity and interest rate and in the aggregate principal amount remaining unredeemed, in any denomination authorized by this resolution, shall be authenticated and delivered, without charge, to the Registered Owner thereof.

(c) Purchase. The State hereby reserves the right to purchase any or all of the Bonds offered for sale to the State at any time, at any price.

(d) Effect of Optional Redemption/Purchase. If the State redeems under the optional redemption provisions, purchases in the open market or defeases Term Bonds of a Series, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The State Treasurer shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation at least 60 days prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(e) Notice of Redemption. While the Bonds are held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then in effect at DTC, and the Bond Registrar shall not be required to give any other notice of redemption.

If the Bonds cease to be in book-entry only form, the State shall cause notice of any such intended redemption (which redemption shall be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption) to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. Additional notice of redemption may be sent at least 35 days before the redemption date to the MSRB and to such persons and with such additional information as the Deputy State Treasurer shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(f) Rescission of Optional Redemption Notice. In the case of an optional redemption, the notice of redemption may state that the State retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been given shall remain outstanding.

(g) Effect of Redemption. If the State shall have set aside on the date fixed for redemption sufficient money for the payment of Bonds called for redemption on the date fixed for redemption, the Bonds so called shall cease to accrue interest after such redemption date, and all such Bonds shall be deemed not to be outstanding hereunder for any purpose, except that the Registered Owners thereof shall be entitled to receive payment of the redemption price and accrued interest to the redemption date from the money set aside for such purpose.

(h) Cancellation of Bonds. All Bonds purchased or redeemed under this Section 5 shall be canceled.

Section 6. State Debt Limit Not Exceeded. The Committee covenants on behalf of the State that, as of the Issue Date of each Series, the Bonds of that Series shall be issued within the debt limitation of the State.

Section 7. Security for Bonds.

(a) Pledge of Full Faith and Credit. The Bonds are general obligations of the State. The State, acting by and through the Committee, pledges its full faith and credit to the payment of the principal of and the interest on the Bonds and unconditionally promises to pay that principal and interest as the same shall become due.

(b) Additional Means for Payment of Bonds. The Legislature may provide additional means for raising money for the payment of the principal of and interest on the Authorized General Obligation Bonds, and the Bond Act shall not be deemed to provide an exclusive method for such payment.

Section 8. Deposits Into and Payments from Bond Fund.

(a) Deposits into Bond Fund. On behalf of the State and as a part of the contract of sale of the Bonds, it is hereby covenanted and agreed with the Registered Owners from time to time of the Bonds that the Committee shall, on or before June 30 of each year, certify to the State Treasurer the amount required to pay principal of and interest on the Bonds in the next fiscal year; provided, however, that the percentage of receipts required in connection with the payments due prior to the start of the next fiscal year shall be estimated within 30 days following the date of sale of the Bonds. On each date on which any interest or principal and interest payment is due with respect to the Bonds, the State Treasurer shall withdraw from any general State revenues received in the State Treasury and deposit in the Bond Fund an amount equal to the amount certified by the Committee to be due with respect to those Bonds on the payment date.

Any amounts received from the Federal government as Federal Credit Payments with respect to Bonds issued as Tax-Advantaged Bonds shall be deposited in the Bond Fund.

Interest earnings on money in the Bond Fund shall remain in the Bond Fund and shall be used and applied to pay the principal of and interest on the Bonds or other bonds payable from the Bond Fund.

(b) Payments from Bond Fund. On or before each date that payments are due on the Bonds, the State Treasurer shall pay from the Bond Fund to the Bond Registrar sufficient money to pay the principal of and interest next coming due on the Bonds then outstanding. For purposes of this Section 8, principal of the outstanding Bonds shall be considered as coming due on their respective dates of maturity or, in the case of Term Bonds, on the dates and in the amounts scheduled for their mandatory redemption. The amount required to be deposited into the Bond Fund and paid to the Bond Registrar, for purposes of effecting the payment of the Bonds or the mandatory redemption of Term Bonds, is subject to reduction arising from the State's purchase or optional redemption of the Bonds in the manner described in Section 5 of this resolution.

(c) Reimbursements of the General Fund. The General Fund in the State Treasury shall be reimbursed with respect to payments made on account of the Bonds in the manner and to the extent described in the applicable Bond Act.

Section 9. Enforcement of Rights. The Registered Owner of each Bond, or a trustee for the Registered Owners of any of the Bonds, may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in the Bond Act and this resolution.

Section 10. Form of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this resolution, the applicable Bond Sale Resolution and state law.

Section 11. Execution of Bonds. The Bonds shall be executed on behalf of the State by the facsimile or manual signatures of the Governor and the State Treasurer. A facsimile of the official seal of the State shall be imprinted or otherwise reproduced on the Bonds, and the facsimile is adopted as the seal of the State for the Bonds. If any officer who shall have signed or whose facsimile signature appears on any Bond shall cease to be that officer before that Bond shall have been actually authenticated or issued, that Bond, nevertheless, may be authenticated and issued and, upon such authentication and issue, shall be as binding upon the State as though that person

had not ceased to be that officer. Any Bond may be executed on behalf of the State by an officer who, on the actual date of execution of the Bond, shall be the proper officer of the State, although on the date of the Bond that officer might not have held that office.

Section 12. Authentication and Delivery of Bonds by Bond Registrar. The Bond Registrar is authorized and directed, on behalf of the State, to authenticate and deliver the Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this resolution. Only those Bonds bearing a Certificate of Authentication in the following form, manually executed by an authorized representative of the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: “Certificate of Authentication. This Bond is one of the State of Washington [Name of Series], dated _____, 20__, described in the Bond Resolution.” The Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

Section 13. Bond Registrar; Registration of Bonds.

(a) Registration Covenant. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The State covenants that, until all Bonds have been surrendered and canceled, it will maintain or cause to be maintained a system of recording the ownership of each Bond that complies with the provisions of Section 149(a) of the Code.

(b) Bond Registrar. The Bond Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust office, which shall be open to inspection by the State at all times during regular business hours. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the State, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the State’s paying agent for the Bonds and to carry out all of the Bond Registrar’s powers and duties under this resolution.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar 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.

(c) Registered Ownership. The State and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 21 of this resolution), and neither the State nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4 of this resolution, but the registration may be transferred

as herein provided. All payments made as described in Section 4 shall be valid and shall satisfy and discharge the liability of the State upon the Bond to the extent of the amount or amounts so paid.

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

Neither the State nor the Bond Registrar 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 each Series of Bonds 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 Series of Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution or a Bond Sale Resolution (except such notices as shall be required to be given by the State to the Bond Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series of Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner of such Series for all purposes hereunder and under the respective Bond Sale Resolution, and all reference herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series of Bonds.

(e) Use of Depository.

(i) Unless otherwise specified in a Bond Sale Resolution, the Bonds of each Series authorized herein shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with all Bonds maturing on the same maturity date and bearing the same interest rate in the form of a single certificate. Registered ownership of such immobilized Bonds, 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 Bond Registrar shall, upon receipt of all outstanding Bonds of a Series, together with a written request on behalf of the Committee, issue a single new Bond for each maturity of the Series of the immobilized Bonds 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 of the Committee.

(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 Committee determines that it is in the best interest of the Beneficial Owners of any Series of Bonds that owners of Bonds of that Series be able to obtain those bonds in the form of Bond certificates, the ownership of that Series of Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Committee shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds for that Series to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of that Series together with a written request on behalf of the Committee to the Bond Registrar, new Bonds 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 Bond may be registered and Bonds may be exchanged, but no transfer of any Bond shall be valid unless such Bond is surrendered to the Bond Registrar, with the assignment form appearing on such Bond duly executed by the Registered Owner or its duly authorized agent in a manner satisfactory to the Bond Registrar. Upon surrender of a Bond for transfer or exchange, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond or Bonds (at the option of the new Registered Owner) of the same Series, date, maturity and interest rate and for the same aggregate principal amount of the surrendered Bond, in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds, as appropriate, of the same Series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the period between the applicable Record Date and the next upcoming interest payment, principal payment or redemption date.

Section 14. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, lost, stolen or destroyed, the Bond Registrar shall, upon request of the State, authenticate and deliver a new Bond, as appropriate, of the same Series, date, interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with Law. If the lost, stolen or destroyed Bond has matured, the State, at its option, may pay the same without its surrender, in accordance with Law. However, no substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of its ownership and (b) such additional security, indemnity or evidence as may be required by the Committee. No substitute Bond shall be furnished until the applicant shall reimburse the State and the Bond Registrar for their respective expenses in the furnishing thereof. Each substitute Bond shall be equally and proportionately entitled to the security of this resolution with all other Bond or Bonds of the same Series, as appropriate, then outstanding. The State shall not be required to treat both the original Bond and any duplicate Bond as being outstanding for the

purpose of determining the principal amount of Bonds which may be issued and outstanding hereunder, but both the original and the duplicate Bond shall be treated as one and the same.

Section 15. Defeasance. If money and/or “Government Obligations” (as defined in chapter 39.53 RCW, as now in existence or hereafter amended) 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 a Series of Bonds 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 Bond Fund for the payment of principal of and interest on such Bonds, the Registered Owners thereof shall cease to be entitled to any lien, benefit or security of this resolution, except the right to receive payment of the principal of and interest on such Bonds 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 Bonds shall no longer be deemed to be outstanding hereunder.

Section 16. Sale of the Bonds.

(a) Methods 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, the Deputy State Treasurer 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 the Deputy State Treasurer deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, the Deputy State Treasurer 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 those 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.

(c) Elections to Treat Bonds as Tax-Advantaged Bonds. If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Tax-Advantaged Bonds, the Bond Sale Resolution shall include those elections and other provisions as may be required under the Code for the State to designate that Series of Bonds as Tax-Advantaged Bonds and may authorize other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable Federal Credit Payments or for the holders to receive the applicable tax credit in respect of those Bonds.

Section 17. Official Statement. To allow the initial Underwriters of the Bonds of each Series to comply with Section (b)(1) of the Rule, the Committee hereby authorizes the State Treasurer or Deputy State Treasurer to execute a certificate “deeming final,” as of its date, the preliminary official statement to be prepared by the State in connection with the offering of each Series of Bonds. A preliminary official statement may be deemed final even though it omits information as to offering prices, interest rates, selling compensation, aggregate principal amounts, principal amount per maturity, maturity dates, options of redemption, delivery date, ratings and other terms of the Bonds that are dependent on such matters.

The Committee authorizes and approves the preparation, execution (which may be through a certificate) by the State Treasurer or Deputy State Treasurer and delivery to the Underwriter of a final official statement for the Bonds of each Series, in the form of the preliminary official statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the State Treasurer or Deputy State Treasurer. The Committee authorizes and approves the distribution by the Underwriters of the preliminary official statement to potential purchasers of the Bonds and the final official statement to purchasers of the Bonds.

Section 18. Delivery of Bonds. The proper State officials are authorized and directed to execute all documents and to do everything necessary, without unreasonable delay after each Bond Sale Resolution is adopted, for (a) the preparation and delivery of transcripts of proceedings pertaining to the Series of Bonds sold thereunder, and (b) the preparation, authentication and delivery of such Bonds, in definitive form, to the initial Underwriters thereof.

Each Series of Bonds will be prepared at the State’s expense and will be delivered to the initial Underwriters thereof in accordance with its offer to purchase the Bonds of such Series, with the approving legal opinion of Bond Counsel regarding each such Series.

Section 19. Disposition of Bond Proceeds. The proceeds from the sale of each Series of Bonds, together with all other money which the Committee may direct the State Treasurer to deposit therein, shall be deposited to the credit of accounts identified in the applicable Bond Sale Resolution and shall be used exclusively to pay or reimburse prior expenditures made for costs of carrying out the purposes specified in the Bond Act, including the payment of costs of issuance.

The State reserves the right to amend the Bond Act and this resolution so as to provide different or additional purposes for which the proceeds from the sale of the Bonds may be used.

Section 20. Tax Covenants. The Committee on behalf of the State covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Tax-Exempt Bonds and will take or

require to be taken such acts as may be permitted by law and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. Without limiting the generality of the foregoing, the State will comply with Section 148 of the Code, will spend the proceeds of the Tax-Exempt Bonds with due diligence to completion of the purposes specified herein, will pay any required rebate or penalty (if permitted in lieu of loss of tax exemption) to the United States under Section 148(f) of the Code, and will not invest or make other use of the proceeds of the Tax-Exempt Bonds or of its other money or take such other intentional acts at any time during the term of the Tax-Exempt Bonds that will cause such Tax-Exempt Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code. The State Treasurer may establish such accounts and/or subaccounts as the State Treasurer deems necessary to comply with this section.

The Committee on behalf of the State also covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the entitlement of the State to receive from the United States Treasury the applicable Federal Credit Payments in respect of Tax-Advantaged Bonds, or the entitlement of the Beneficial Owners to receive tax credits in respect of Tax-Advantaged Bonds.

Section 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 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; and

(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) 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 (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 Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of owners, if material; (8) Bond calls (other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856), 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 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.

(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 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 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 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 22. Alternate Use of Bond Proceeds. Nothing in this resolution or the Bonds shall prevent the State from properly authorizing that the Bond proceeds may be expended for purposes other than provided in Section 2 of this resolution.

Section 23. Contract; Severability. The covenants contained in this resolution and in the Series of Bonds issued hereunder shall constitute a contract between the State and the Registered Owner of each Bond. If any one or more of the covenants or agreements provided in this resolution, to be performed by the State, shall be declared by any court of competent jurisdiction after final appeal (if any appeal be taken) to be contrary to law, then the covenant or covenants, agreement or agreements, shall be null and void, 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 Bonds.

Section 24. 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 25. 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 26. Immediate Effect. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 8th day of July, 2025.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Bob Ferguson
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter
Deputy State Treasurer and Secretary

EXHIBIT 1

BOND ACTS, CHAPTERS AND LAWS, AND BOND FUNDS

Exhibit 1A -- Authorization Allocation

Chapter and Laws (Bond Authorizations)	Bonds Authorized	Issued	Unissued	Preliminary Par Amount Allocation
Ch. 147 -- Laws of 2003, Regular Sess.....	\$249,500,000	\$211,450,000	\$38,050,000	\$0
Ch. 167 -- Laws of 2006, Regular Sess.....	200,000,000	178,920,000	21,080,000	3,000,000
Ch. 3 -- Laws of 2018, Regular Sess.....	300,000,000	45,075,000	254,925,000	20,000,000
Ch. 331 -- Laws of 2021, Regular Sess.....	3,971,290,793	2,840,320,000	1,130,970,793	1,130,970,793
Ch. 473 -- Laws of 2023, Regular Sess.....	4,186,076,000	582,965,000	3,603,111,000	2,192,289,707
Ch. 415 -- Laws of 2025, Regular Sess.....	4,686,979,000	0	4,686,979,000	2,343,489,500
<i>Total.....</i>	<i>\$13,593,845,793</i>	<i>\$3,858,730,000</i>	<i>\$9,735,115,793</i>	<i>\$5,689,750,000</i>

Exhibit 1B -- Chapter and Laws with Fund Detail

Bonds	Chapter	Laws	Session	Section	OST Auth. Number	Debt Service Fund Number*	Capital Fund Number*	Capital Fund Name	Taxable
VP GO	147	2003	1R	7	800	383	218	Multimodal Transportation Account	No
VP GO	167	2006	1R	201	854	380	10P	Columbia River Basin Water Supply	No
VP GO	167	2006	1R	201	854	380	188	Columbia River Basin Taxable Bond Water Supply	No
VP GO	3	2018	1R	203	1355	380	22K	Watershed Restoration and Enhancement Bond Account	No
GO	3	2018	1R	203	1355	380	377	Watershed Restoration and Enhancement Taxable Bond Account	Yes
VP GO	331	2021	1R	2(1)(a)	1452	380	057	State Building Construction Account	No
GO	331	2021	1R	2(1)(b)	1452	380	355	State Taxable Building Const. Account	Yes
VP GO	473	2023	1R	102(1)(a)	1565	380	057	State Building Construction Account	No
GO	473	2023	1R	102(1)(b)	1565	380	355	State Taxable Building Const. Account	Yes
VP GO	415	2025	1R	102(1)(a)	1667	380	057	State Building Construction Account	No
GO	415	2025	1R	102(1)(b)	1667	380	355	State Taxable Building Const. Account	Yes

* Fund Definitions

057	State Building Construction Account
10P	Columbia River Basin Water Supply
188	Columbia River Basin Taxable Bond Water Supply
218	Multimodal Transportation Account
22K	Watershed Restoration and Enhancement Bond Account
355	State Taxable Building Const. Account
377	Watershed Restoration and Enhancement Taxable Bond Account
380	Debt-Limit General Fund Bond Retirement Account
383	Non-Debt Limit Reimbursable Bond Retirement Account

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. 1296 of such Committee, adopted at an open public meeting thereof held on this 8th day of July, 2025, 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 8, 2025.

Jason P. Richter, Secretary
State Finance Committee



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 4 -

SFC Resolution No. 1297

Authorizes the issuance of Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds of the State in a principal amount not to exceed \$2,809,433,000 for the purpose of providing funds to pay and reimburse State expenditures for various transportation projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1297 also authorizes the State Treasurer to adopt bond sale resolutions.

Office of the State Treasurer

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State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter
Deputy State Treasurer

RE: **Proposed Resolution No. 1297** authorizes the issuance and sale of State of Washington Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds

Resolution Purpose

Proposed Resolution No. 1297 authorizes the issuance of Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds of the State in a principal amount not to exceed \$2,809,433,000 for the purpose of providing funds to pay and reimburse state expenditures for various transportation projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales.

Resolution No. 1297 also authorizes the Deputy State Treasurer to establish the method of sale of the bonds and the State Treasurer to adopt bond sale resolutions.

Background

The bonds will be used to fund various transportation capital projects throughout the state as authorized by the 2025-27 Transportation Budget. Bond sales are currently planned to occur on a semi-annual basis.

Authorization

Authority to issue the bonds is expected to be provided by the following bond acts, based on the preliminary allocation provided in the following table:

Chapter and Laws (Bond Authorizations)		Bonds Authorized	Issued	Unissued	Preliminary Allocation
Ch. 83	-- Laws of 1967, 1st Ex. Sess.....	\$143,000,000	\$100,430,000	\$42,570,000	\$0
Ch. 293	-- Laws of 1990.....	15,000,000	13,400,000	1,600,000	0
Ch. 431	-- Laws of 1993, as amended.....	600,000,000	495,427,709	104,572,291	101,986,000
Ch. 432	-- Laws of 1993.....	100,000,000	24,805,000	75,195,000	0
Ch. 440	-- Laws of 1993.....	100,000,000	92,490,000	7,510,000	0
Ch. 15	-- Laws of 1995, 2nd Sp. Sess.....	25,625,000	19,415,000	6,210,000	0
Ch. 321	-- Laws of 1998.....	1,900,000,000	1,869,506,712	30,493,288	30,000,000
Ch. 147	-- Laws of 2003.....	3,200,000,000	2,987,508,877	212,491,123	212,000,000
Ch. 315	-- Laws of 2005.....	5,300,000,000	4,178,568,336	1,121,431,664	879,000,000
Ch. 45	-- Laws of 2015, 3rd Sp. Sess.....	5,300,000,000	2,123,750,000	3,176,250,000	1,586,447,000
Total.....		\$16,683,625,000	\$11,905,301,634	\$4,778,323,366	\$2,809,433,000

Projects Funded

As provided in the 2025-27 Transportation Budget, bond proceeds are to be deposited in the funds shown in the following table. Examples of projects to be funded in part by bond proceeds for the 2025-27 Biennium are described in the attachment to this memo.

Fund Number	Fund Name	2025-27 Deposits
215	Special Category C Account	\$101,986,000
108	Motor Vehicle Account	30,000,000
550	Nickel Account	212,000,000
09H	Transportation Partnership Account	879,000,000
20H	Connecting Washington Account	1,586,447,000
Total.....		\$2,809,433,000

Counsel

Assistance in preparing Proposed Resolution No. 1297 was provided by:

Bond Counsel: William Tonkin, Foster Garvey PC
Stacie Amasaki, Foster Garvey PC

Examples of projects to be funded in part by bond proceeds for the 2025-27 Biennium:

Western Washington

SR 167/SR 509 Puget Sound Gateway: This project constructs a new four lane alignment on SR 167 between I-5 in Tacoma and SR 161 in Puyallup and connects SR 509 south from SeaTac to I-5.

SR 520 Seattle Corridor Improvements - West End: This project completes corridor improvements between I-5 and the West High Rise to address congestion and safety needs of the corridor.

I-405/Renton to Bellevue - Corridor Widening: This project continues widening of the I-405 corridor between Renton and Bellevue and includes the implementation of Express Toll Lanes (ETL) and rebuilding impacted interchanges. It also builds the first segment of the I-405/SR 167 interchange master plan by constructing a direct connector on northbound and southbound lanes between SR 167 HOT and I-405 express toll lanes. This project would complete a 40-mile corridor wide express toll facility.

SR 18 Widening - Issaquah/Hobart Rd to Raging River - Phase I: Improvements from the Tiger Mountain summit to the east down to Deep Creek, from milepost 23 to milepost 25, and roundabouts at the Issaquah Hobart Road interchange ramp intersections.

Eastern Washington

US 395 North Spokane Corridor: This project completes the corridor from Francis Avenue to an interim connection with I-90. In addition to completing the corridor to the Trent Avenue interchange, this investment would also complete an interim connection with I-90.

EXECUTION VERSION

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1297

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION BONDS OF THE STATE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,809,433,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR VARIOUS TRANSPORTATION PROJECTS IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AND AUTHORIZING AND DIRECTING THE SALE OF SAID BONDS IN ONE OR MORE SALES.

ADOPTED: JULY 8, 2025

Table of Contents

Section 1.	Definitions.....	1
Section 2.	Authorization and Purpose of the Bonds	4
Section 3.	Description of the Bonds	4
Section 4.	Place, Manner and Medium of Payment.....	5
Section 5.	Redemption; Purchase; Notice; Cancellation	5
Section 6.	Security for Bonds	6
Section 7.	Deposits Into and Payments from Bond Fund and Specific Covenants	8
Section 8.	Enforcement of Rights	9
Section 9.	Form of Bonds	9
Section 10.	Execution of Bonds.....	9
Section 11.	Authentication and Delivery of Bonds by Bond Registrar	9
Section 12.	Bond Registrar; Registration of Bonds	10
Section 13.	Mutilated, Lost, Stolen or Destroyed Bonds.....	12
Section 14.	Defeasance	12
Section 15.	Sale of the Bonds	13
Section 16.	Official Statement	13
Section 17.	Delivery of Bonds	14
Section 18.	Disposition of Bond Proceeds.....	14
Section 19.	Tax Covenants	14
Section 20.	Undertaking to Provide Ongoing Disclosure.....	15
Section 21.	Alternate Use of Bond Proceeds	17
Section 22.	Contract; Severability	17
Section 23.	Filing of Resolution	18
Section 24.	Ratification.....	18
Section 25.	Immediate Effect.....	18

Exhibit 1 - Schedule of Bond Acts, Chapters and Laws, and Bond Funds

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1297

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION BONDS OF THE STATE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,809,433,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR VARIOUS TRANSPORTATION PROJECTS IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AND AUTHORIZING AND DIRECTING THE SALE OF SAID BONDS IN ONE OR MORE SALES.

WHEREAS, the Legislature of the State of Washington (the “State”) has authorized the issuance by the State Finance Committee (the “Committee”) of certain motor vehicle fuel tax and vehicle related fees general obligation bonds pursuant to bond authorizing legislation more particularly described in Exhibit 1 of this resolution; and

WHEREAS, the Committee is authorized by chapter 39.42 RCW to provide for the issuance and sale of such bonds;

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

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this section 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:

Authorized Bonds means the aggregate principal amount of the motor vehicle fuel tax and vehicle related fees general obligation bonds authorized by the Bond Act.

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

Bond Act means, collectively, one or more of the Chapters and Laws set forth in Exhibit 1 attached hereto and specified in a Bond Sale Resolution as the particular authorization being used for a Series of Bonds.

Bond Fund means the highway bond retirement account created in the State Treasury.

Bond Register means the registration books on which are maintained the names and addresses of the Registered Owners of the Bonds.

Bond Registrar means the Fiscal Agent.

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 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.

Bonds means any or all of the motor vehicle fuel tax and vehicle related fees general obligation bonds of the State, the sale and issuance of which are provided for in this resolution.

Chair means the Chair of the Committee.

Code means the Internal Revenue Code of 1986, as amended from time to time, together with all applicable rulings and regulations promulgated thereunder.

Commission means the Securities and Exchange Commission.

Committee means the State Finance Committee of the State, or any successor thereof.

Compound Accreted Value means the amount payable at maturity with respect to any deferred interest Bond equal to the original principal amount thereof and interest thereon, accrued from its date and compounded semiannually on each interest payment date at a rate per annum established by a Bond Sale Resolution.

Deputy State Treasurer means the Deputy State Treasurer and Secretary of the Committee.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for each Series of Bonds pursuant to Section 12 hereof.

Federal Credit Payments means amounts which the State is entitled to receive as a subsidy or tax credit payable by the United States Treasury to the State in respect of interest on any Bonds issued as Tax-Advantaged Bonds.

Fiscal Agent means the fiscal agency or fiscal agencies of the State as appointed from time to time by the Committee pursuant to chapter 43.80 RCW.

Issue Date means the date on which a Series of Bonds is delivered to the initial purchaser or purchasers thereof upon payment in full of the purchase price therefor.

Laws means the statutes of the State.

Legislature means the Legislature of the State.

Letter of Representations means the Blanket Issuer Letter of Representations from the State to DTC.

MSRB means the Municipal Securities Rulemaking Board.

Project Account means the fund or account into which proceeds of Bonds are required to be deposited under the Bond Act, including but not limited to the Motor Vehicle Fund, Transportation 2003 Account (Nickel Account), Transportation Partnership Account, the Special Category C Account and the Connecting Washington Account, as applicable.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding a payment date, unless another date is specified in a Bond Sale Resolution with respect to any Series of Bonds. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 5.

Registered Owner means, with respect to each Series of the Bonds, the person named as the registered owner of a particular Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

Series shall refer to each issue of Bonds issued in the future and identified by a separate series designation.

State means the State of Washington.

Tax-Advantaged Bonds means any Bonds that are designated by the State as Bonds with respect to which the State is eligible to receive Federal Credit Payments or the holders of which are eligible to receive a federal tax credit under any federal subsidy or credit program available under the Code.

Tax-Exempt Bonds means any Bond the interest on which is excludable from gross income of the Beneficial Owner for purposes of federal income tax.

Term Bonds means all Bonds that are identified as term bonds in the Bond Sale Resolutions, the payment of which will be made from mandatory sinking fund deposits into the Bond Fund.

Transportation Projects means those projects or improvements authorized under the Bond Act for which the State Department of Transportation has requested financing through the issuance of a Series of the Bonds.

Underwriters means the underwriters identified in the Bond Sale Resolutions.

Section 2. Authorization and Purpose of the Bonds. For the purpose of providing funds to finance the Transportation Projects, and all costs incidental thereto, and for the payment of the expenses incurred in connection with the sale and issuance of the Bonds, the Committee hereby authorizes, on behalf of the State, the sale and issuance of the Bonds in one or more sales and one or more Series, all as provided in the Bond Act.

The Committee covenants on behalf of the State that no Series of Bonds will be offered for sale without both a prior request by the State Department of Transportation for the sale and prior appropriation by the Legislature of the net proceeds of sale of such Bonds and that, as of the Issue Date of each Series of the Bonds, the aggregate principal amount of Authorized Bonds that the Committee shall have sold and issued, including the Bonds, will not exceed the total principal amount authorized by the Bond Act to be issued.

Section 3. Description of the Bonds. The Bonds shall be designated “Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds,” with such additional Series designation or other designations established by a Bond Sale Resolution; and shall be in an aggregate principal amount of not to exceed \$2,809,433,000. Each Series of Bonds shall be dated as of their Issue Date; shall be issued in fully registered form; shall be in the denomination (or, as to deferred interest Bonds, a Compound Accreted Value at maturity) of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall mature on the date or dates in each of the years and in the principal amounts to be established by a Bond Sale Resolution. The Bond Sale Resolution shall designate whether all or a portion of the Bonds of a Series will be issued as serial bonds or Term Bonds.

Current interest Bonds of a Series shall bear interest from their Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable at such rate or rates on such interest payment dates as are established by the Bond Sale Resolution, to the maturity or earlier redemption thereof. Deferred interest Bonds shall bear interest from their date, payable at maturity, at such rate or rates compounded semiannually to produce the approximate yields to maturity as the Committee hereafter shall establish by a Bond Sale Resolution. If any Bond shall have been duly presented for payment and not paid on such applicable date, then interest shall continue to accrue thereafter at the interest rate stated on such Bond until it is paid.

Nothing in this resolution shall preclude the Committee from providing by separate resolution for the issuance and sale of a portion of the Bonds as a Series of variable interest rate Bonds.

Section 4. Place, Manner and Medium of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. If the Bonds of any Series are in fully immobilized form and held by DTC, such payments of principal and interest on such Series shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations to the Registered Owner at the address appearing on the Bond Register as of the Record Date.

If the Bonds of any Series are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Bonds (if agreed to by the Committee)) to the Registered Owners of the Bonds of such Series at the addresses for such Registered Owners appearing on the Bond Register on the Record Date. Principal and premium, if any, of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners to the Bond Registrar.

Section 5. Redemption; Purchase; Notice; Cancellation.

(a) Optional and Mandatory Redemption. The Bond Sale Resolution for a Series shall designate which maturities of the Series, if any, are subject to optional and mandatory redemption, and shall further provide for the time, manner and price at which such Series of Bonds may be redeemed prior to their stated maturities. As long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made in a random method determined by the Bond Registrar.

(b) Partial Redemption. Any Bond in the principal amount of greater than \$5,000 may be partially redeemed in any integral multiple of \$5,000. If the Bonds are no longer held in book-entry only form, then in such event, upon surrender of such Bond to the Bond Registrar, a new Bond or Bonds (at the option of the Registered Owner), of the same Series, date, maturity and interest rate and in the aggregate principal amount remaining unredeemed, in any denomination authorized by this resolution, shall be authenticated and delivered, without charge, to the Registered Owner thereof.

(c) Purchase. The State hereby reserves the right to purchase any or all of the Bonds offered for sale to the State at any time, at any price.

(d) Effect of Optional Redemption/Purchase. If the State redeems under the optional redemption provisions, purchases in the open market or defeases Term Bonds of a Series, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The State Treasurer shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation at

least 60 days prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(e) Notice of Redemption. While the Bonds are held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then in effect at DTC, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form, the State shall cause notice of any such intended redemption (which redemption shall be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption) to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. Additional notice of redemption may be sent at least 35 days before the redemption date to the MSRB and to such persons and with such additional information as the Deputy State Treasurer shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(f) Rescission of Optional Redemption Notice. In the case of an optional redemption, the notice of redemption may state that the State retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been given shall remain outstanding.

(g) Effect of Redemption. If the State shall have set aside on the date fixed for redemption sufficient money for the payment of Bonds called for redemption on the date fixed for redemption, the Bonds so called shall cease to accrue interest after such redemption date, and all such Bonds shall be deemed not to be outstanding hereunder for any purpose, except that the Registered Owners thereof shall be entitled to receive payment of the redemption price and accrued interest to the redemption date from the money set aside for such purpose.

(h) Cancellation of Bonds. All Bonds purchased or redeemed under this Section 5 shall be canceled.

Section 6. Security for Bonds.

(a) Pledge of Full Faith and Credit. The Bonds are general obligations of the State. The State, acting by and through the Committee, pledges its full faith and credit to the payment of the principal of and the interest on the Bonds and unconditionally promises to pay that principal and interest as the same shall become due.

(b) Pledge of Excise Taxes on Fuel and Vehicle-Related Fees. The principal of and interest on the Bonds shall be first payable in the manner provided by the Bond Act from the proceeds of the state excise taxes on fuel imposed by Chapter 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. On behalf of the State and as a part of the contract of sale of the Bonds, the

proceeds of such excise taxes on fuel and vehicle-related fees are pledged to the payment of any Bonds and the interest thereon, and in the Bond Act the Legislature has agreed to continue to impose such excise taxes on fuel and vehicle-related fees in amounts sufficient to pay, when due, the principal of and interest on all bonds issued under the authority of the Bond Act.

Any funds required to pay the Bonds allocated to the 1993 Ch. 431 Bond Act (RCW 47.10.812-.817), or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the Special Category C Account in the Motor Vehicle Fund, and shall never constitute a charge against any allocations of any other such funds in the Motor Vehicle Fund to the State, counties, cities, and towns unless and until the amount arising from the excise tax on motor vehicle and special fuels and distributed to the special category C account proves insufficient to meet the requirements for bond retirement or interest on any such Bonds.

Any funds required to pay the Bonds allocated to the 1998 Ch. 321 Bond Act (RCW 47.10.843-.848), or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund which results from the imposition of excise taxes on motor vehicle and special fuels and which are, or may be, appropriated to the Department of Transportation for state highway purposes, and shall never constitute a charge against any allocations of any other such funds in the Motor Vehicle Fund to the State, counties, cities, and towns unless and until the amount arising from the excise taxes on motor vehicle and special fuels and distributed to the State in the Motor Vehicle Fund proves insufficient to meet the requirements for Bond retirement or interest on any such Bonds.

Any funds required to pay the Bonds allocated to the 2003 Ch. 147 Bond Act (RCW 47.10.861-.866), or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the Transportation 2003 Account (Nickel Account) in the Motor Vehicle Fund, and shall never constitute a charge against any allocations of any other such funds in the Motor Vehicle Fund to the State, counties, cities, and towns unless and until the amount arising from the excise tax on motor vehicle and special fuels and distributed to the nickel account proves insufficient to meet the requirements for bond retirement or interest on any such Bonds.

Any funds required to pay the Bonds allocated to the 2005 Ch. 315 Bond Act (RCW 47.10.873-.878), or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the Transportation Partnership Account in the Motor Vehicle Fund, and shall never constitute a charge against any other allocations of any other such funds in the Motor Vehicle Fund to the State, counties, cities, and towns unless and until the amount arising from the excise taxes on motor vehicle and special fuels and distributed to the transportation partnership account proves insufficient to meet the requirements for Bond retirement or interest on any such Bonds.

Any funds required to pay the Bonds allocated to the 2015 Ch. 45 (RCW 47.10.889-.895), or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund that results from the imposition of excise taxes on fuel and vehicle-related fees and that is distributed to the Connecting Washington Account in the Motor Vehicle Fund, and shall never

constitute a charge against any other allocations of fuel tax and vehicle-related fee revenues to the State, counties, cities, and towns unless the amount arising from excise taxes on fuel and vehicle-related fees distributed to the connecting Washington account proves insufficient to meet the requirements for Bond retirement or interest on any such Bonds.

Any payments for bond retirement or interest on the Bonds taken from the fuel taxes and vehicle-related fees that are distributable to the State, counties, cities and towns shall be repaid from the first revenues from the fuel taxes and vehicle-related fees distributed to the applicable Project Account not required for bond retirement or interest on the Bonds.

The Bonds and any other general obligation bonds of the State that have been or that may be authorized and that pledge excise taxes on fuel for the payment of the principal and interest thereon shall be an equal charge against the revenues from such excise taxes on fuel. The Bonds and any other general obligation bonds of the State that have been or that may be authorized and that pledge vehicle-related fees for the payment of the principal and interest thereon shall be an equal charge against the revenues from such vehicle-related fees.

(c) Additional Means for Payment of Bonds. The Legislature may provide additional means for raising money for the payment of the principal of and interest on the Authorized Bonds, and the Bond Act shall not be deemed to provide an exclusive method for such payment.

Section 7. Deposits Into and Payments from Bond Fund and Specific Covenants.

(a) Deposits into Bond Fund. On behalf of the State and as a part of the contract of sale of the Bonds, it is hereby covenanted and agreed with the Registered Owners from time to time of the Bonds that the Committee shall, on or before June 30 of each year, certify to the State Treasurer the amount required to pay principal of and interest on the Bonds in the next fiscal year; provided, however, that the percentage of receipts required in connection with the payments due prior to the start of the next fiscal year shall be estimated within 30 days following the date of sale of the Bonds. The State Treasurer, subject to the applicable provisions of the Bond Act, shall withdraw revenues from the Motor Vehicle Fund and deposit in the Bond Fund on or before each interest or principal and interest payment date such amounts certified by the Committee to pay debt service on such Bonds.

Any amounts received from the Federal government as Federal Credit Payments with respect to Bonds issued as Tax-Advantaged Bonds shall be deposited in the Bond Fund.

Any surplus money in the Bond Fund may, in the discretion of the Committee, be used to redeem any bonds payable from the Bond Fund (subject to applicable bond covenants) prior to scheduled maturities or may remain in the Bond Fund to reduce requirements upon the fuel tax and vehicle-related fees portions of the Motor Vehicle Fund.

Interest earnings on money in the Bond Fund shall remain in the Bond Fund and shall be used and applied to pay the principal of and interest on the Bonds or other bonds payable from the Bond Fund.

(b) Accurate Records. The State shall maintain accurate records showing (i) all collections of fuel excise taxes levied pursuant to Chapter 82.38 RCW, (ii) all collections of vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes and (iii) all payments made into and out of the Bond Fund, and such records shall be made available for inspection at any reasonable time by the holders of any of the Authorized Bonds.

(c) Transfers of Funds. On or before the date such payments are due from time to time, the State Treasurer shall pay to the Bond Registrar, from money in the Bond Fund, sums sufficient to pay the principal of and interest coming due on the Bonds then outstanding. For purposes of this Section 7, principal of the outstanding Bonds shall be considered as coming due on their respective dates of maturity or, in the case of Term Bonds, on the dates and in the amounts scheduled for their mandatory redemption. The amount required to be deposited into the Bond Fund and paid to the Bond Registrar, for purposes of effecting the payment of the Bonds or the mandatory redemption of Term Bonds, is subject to reduction arising from the State's purchase or optional redemption of the Bonds in the manner described in Section 5 of this resolution.

Section 8. Enforcement of Rights. The Registered Owner of each Bond, or a trustee for the Registered Owners of any of the Bonds, may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in the Bond Act and this resolution.

Section 9. Form of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this resolution, the applicable Bond Sale Resolution and state law.

Section 10. Execution of Bonds. The Bonds shall be executed on behalf of the State by the facsimile or manual signatures of the Governor and the State Treasurer. A facsimile of the official seal of the State shall be imprinted or otherwise reproduced on the Bonds, and the facsimile is adopted as the seal of the State for the Bonds. If any officer who shall have signed or whose facsimile signature appears on any Bond shall cease to be that officer before that Bond shall have been actually authenticated or issued, that Bond, nevertheless, may be authenticated and issued and, upon such authentication and issue, shall be as binding upon the State as though that person had not ceased to be that officer. Any Bond may be executed on behalf of the State by an officer who, on the actual date of execution of the Bond, shall be the proper officer of the State, although on the date of the Bond that officer might not have held that office.

Section 11. Authentication and Delivery of Bonds by Bond Registrar. The Bond Registrar is authorized and directed, on behalf of the State, to authenticate and deliver the Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this resolution. Only those Bonds bearing a Certificate of Authentication in the following form, manually executed by an authorized representative of the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is one of the State of Washington [Name of Series], dated _____, 20__, described in the Bond Resolution." The Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

Section 12. Bond Registrar; Registration of Bonds.

(a) Registration Covenant. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The State covenants that, until all Bonds have been surrendered and canceled, it will maintain or cause to be maintained a system of recording the ownership of each Bond that complies with the provisions of Section 149(a) of the Code.

(b) Bond Registrar. The Bond Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust office, which shall be open to inspection by the State at all times during regular business hours. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the State, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the State's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar 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.

(c) Registered Ownership. The State and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 20 of this resolution), and neither the State nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4 of this resolution, but the registration may be transferred as herein provided. All payments made as described in Section 4 shall be valid and shall satisfy and discharge the liability of the State upon the Bond to the extent of the amount or amounts so paid.

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

Neither the State nor the Bond Registrar 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 each Series of Bonds 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 Series of Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution or a Bond Sale Resolution (except such notices as shall be required to be given by the State to the Bond Registrar or to DTC (or any successor depository), or any consent given or

other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series of Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner of such Series for all purposes hereunder and under the respective Bond Sale Resolution, and all reference herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series of Bonds.

(e) Use of Depository.

(i) Unless otherwise specified in a Bond Sale Resolution, the Bonds of each Series authorized herein shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, with all Bonds maturing on the same maturity date and bearing the same interest rate in the form of a single certificate. Registered ownership of such immobilized Bonds, 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 Bond Registrar shall, upon receipt of all outstanding Bonds of a Series, together with a written request on behalf of the Committee, issue a single new Bond for each maturity of the Series of the immobilized Bonds 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 of the Committee.

(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 Committee determines that it is in the best interest of the Beneficial Owners of any Series of Bonds that owners of Bonds of that Series be able to obtain those bonds in the form of Bond certificates, the ownership of that Series of Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Committee shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds for that Series to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of that Series together with a written request on behalf of the Committee to the Bond Registrar, new Bonds 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 Bond may be registered and Bonds may be exchanged, but no transfer of any Bond shall be valid unless such Bond is surrendered to the Bond Registrar, with the assignment form appearing on such Bond duly executed by the Registered Owner or its duly authorized agent in a manner satisfactory to the Bond Registrar. Upon surrender of a Bond for transfer or exchange, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond or Bonds (at the option of the new Registered Owner) of the same Series, date, maturity and interest rate and for the same aggregate principal amount of the surrendered Bond, in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds, as appropriate, of the same Series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the period between the applicable Record Date and the next upcoming interest payment, principal payment or redemption date.

Section 13. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, lost, stolen or destroyed, the Bond Registrar shall, upon request of the State, authenticate and deliver a new Bond, as appropriate, of the same Series, date, interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with Law. If the lost, stolen or destroyed Bond has matured, the State, at its option, may pay the same without its surrender, in accordance with Law. However, no substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of its ownership and (b) such additional security, indemnity or evidence as may be required by the Committee. No substitute Bond shall be furnished until the applicant shall reimburse the State and the Bond Registrar for their respective expenses in the furnishing thereof. Each substitute Bond shall be equally and proportionately entitled to the security of this resolution with all other Bond or Bonds of the same Series, as appropriate, then outstanding. The State shall not be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued and outstanding hereunder, but both the original and the duplicate Bond shall be treated as one and the same.

Section 14. Defeasance. If money and/or “Government Obligations” (as defined in chapter 39.53 RCW, as now in existence or hereafter amended) 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 a Series of Bonds 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 Bond Fund for the payment of principal of and interest on such Bonds, the Registered Owners thereof shall cease to be entitled to any lien, benefit or security of this resolution, except the right to receive payment of the principal of and interest on such Bonds 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 Bonds shall no longer be deemed to be outstanding hereunder.

Section 15. Sale of the Bonds.

(a) Methods 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, the Deputy State Treasurer 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 the Deputy State Treasurer deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, the Deputy State Treasurer 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 those 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.

(c) Elections to Treat Bonds as Tax-Advantaged Bonds. If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Tax-Advantaged Bonds, the Bond Sale Resolution shall include those elections and other provisions as may be required under the Code for the State to designate that Series of Bonds as Tax-Advantaged Bonds and may authorize other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable Federal Credit Payments or for the holders to receive the applicable tax credit in respect of those Bonds.

Section 16. Official Statement. To allow the initial Underwriters of the Bonds of each Series to comply with Section (b)(1) of the Rule, the Committee hereby authorizes the State Treasurer or Deputy State Treasurer to execute a certificate “deeming final,” as of its date, the preliminary official statement to be prepared by the State in connection with the offering of each Series of Bonds. A preliminary official statement may be deemed final even though it omits information as to offering prices, interest rates, selling compensation, aggregate principal amounts, principal amount per maturity, maturity dates, options of redemption, delivery date, ratings and other terms of the Bonds that are dependent on such matters.

The Committee authorizes and approves the preparation, execution (which may be through a certificate) by the State Treasurer or Deputy State Treasurer and delivery to the Underwriter of a final official statement for the Bonds of each Series, in the form of the preliminary official statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the State Treasurer or Deputy State Treasurer. The Committee authorizes and approves the distribution by the Underwriters of the preliminary official statement to potential purchasers of the Bonds and the final official statement to purchasers of the Bonds.

Section 17. Delivery of Bonds. The proper State officials are authorized and directed to execute all documents and to do everything necessary, without unreasonable delay after each Bond Sale Resolution is adopted, for (a) the preparation and delivery of transcripts of proceedings pertaining to the Series of Bonds sold thereunder, and (b) the preparation, authentication and delivery of such Bonds, in definitive form, to the initial Underwriters thereof.

Each Series of Bonds will be prepared at the State's expense and will be delivered to the initial Underwriters thereof in accordance with its offer to purchase the Bonds of such Series, with the approving legal opinion of Bond Counsel regarding each such Series.

Section 18. Disposition of Bond Proceeds. The proceeds from the sale of each Series of Bonds, together with all other money which the Committee may direct the State Treasurer to deposit therein, shall be deposited to the credit of the applicable Project Account and shall be used exclusively to pay or reimburse prior expenditures made for costs of carrying out the purposes specified in the Bond Act, including the payment of costs of issuance.

The State reserves the right to amend the Bond Act and this resolution so as to provide different or additional purposes for which the proceeds from the sale of the Bonds may be used.

Section 19. Tax Covenants. The Committee on behalf of the State covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Tax-Exempt Bonds and will take or require to be taken such acts as may be permitted by law and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. Without limiting the generality of the foregoing, the State will comply with Section 148 of the Code, will spend the proceeds of the Tax-Exempt Bonds with due diligence to completion of the purposes specified herein, will pay any required rebate or penalty (if permitted in lieu of loss of tax exemption) to the United States under Section 148(f) of the Code, and will not invest or make other use of the proceeds of the Tax-Exempt Bonds or of its other money or take such other intentional acts at any time during the term of the Tax-Exempt Bonds that will cause such Tax-Exempt Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code. The State Treasurer may establish such accounts and/or subaccounts as the State Treasurer deems necessary to comply with this section.

The Committee on behalf of the State also covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the entitlement of the State to receive from the United States Treasury the applicable Federal Credit Payments in respect of Tax-Advantaged Bonds, or the entitlement of the Beneficial Owners to receive tax credits in respect of Tax-Advantaged Bonds.

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, 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; and

(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) 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 (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 Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of owners, if material; (8) Bond calls (other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856), 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 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.

(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 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 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 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 21. Alternate Use of Bond Proceeds. Nothing in this resolution or the Bonds shall prevent the State from properly authorizing that the Bond proceeds may be expended for purposes other than provided in Section 2 of this resolution.

Section 22. Contract; Severability. The covenants contained in this resolution and in the Series of Bonds issued hereunder shall constitute a contract between the State and the Registered Owner of each Bond. If any one or more of the covenants or agreements provided in this resolution, to be performed by the State, shall be declared by any court of competent jurisdiction

after final appeal (if any appeal be taken) to be contrary to law, then the covenant or covenants, agreement or agreements, shall be null and void, 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 Bonds.

Section 23. 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 24. 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 25. Immediate Effect. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 8th day of July, 2025.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Bob Ferguson
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter
Deputy State Treasurer and Secretary

EXHIBIT 1

BOND ACTS, CHAPTERS AND LAWS, AND BOND FUNDS

Exhibit 1A -- Authorization Allocation

Chapter and Laws (Bond Authorizations)	Bonds Authorized	Issued	Unissued	Preliminary Allocation
Ch. 83 -- Laws of 1967, 1st Ex. Sess.....	\$143,000,000	\$100,430,000	\$42,570,000	\$0
Ch. 293 -- Laws of 1990.....	15,000,000	13,400,000	1,600,000	0
Ch. 431 -- Laws of 1993, as amended.....	600,000,000	495,427,709	104,572,291	101,986,000
Ch. 432 -- Laws of 1993.....	100,000,000	24,805,000	75,195,000	0
Ch. 440 -- Laws of 1993.....	100,000,000	92,490,000	7,510,000	0
Ch. 15 -- Laws of 1995, 2nd Sp. Sess.....	25,625,000	19,415,000	6,210,000	0
Ch. 321 -- Laws of 1998.....	1,900,000,000	1,869,506,712	30,493,288	30,000,000
Ch. 147 -- Laws of 2003.....	3,200,000,000	2,987,508,877	212,491,123	212,000,000
Ch. 315 -- Laws of 2005.....	5,300,000,000	4,178,568,336	1,121,431,664	879,000,000
Ch. 45 -- Laws of 2015, 3rd Sp. Sess.....	5,300,000,000	2,123,750,000	3,176,250,000	1,586,447,000
Total.....	\$16,683,625,000	\$11,905,301,634	\$4,778,323,366	\$2,809,433,000

Exhibit 1B -- Chapter and Laws with Fund Detail

Bonds	Chapter	Laws	Session	Section	OST Auth. Number	Debt Service Fund Number*	Capital Fund Number*	Capital Fund Name	Taxable
MVFT / VRF GO	083	1967	1S		320	305	144	Transportation Improvement Account	No
MVFT / VRF GO	293	1990		1	391	303	108	Motor Vehicle Account	No
MVFT / VRF GO	431	1993		(1)	445	303	215	Special Category C Account	No
MVFT / VRF GO	432	1993		(1.1)-(1.3)	446	303	108	Motor Vehicle Account	No
MVFT / VRF GO	440	1993			444	305	144	Transportation Improvement Account	No
MVFT / VRF GO	015	1995			450	303	108	Motor Vehicle Account	No
MVFT / VRF GO	321	1998	1R	16	464	303	108	Motor Vehicle Account	No
MVFT / VRF GO	147	2003	1R	(1)	799	303	550	Transportation 2003 Account	No
MVFT / VRF GO	315	2005	1R	(1)	841	303	09H	Transportation Partnership Account	No
MVFT / VRF GO	45	2018	3S	(1)	1241	303	20H	Connecting Washington Account	No

* Fund Definitions

09H	Transportation Partnership Account
108	Motor Vehicle Account
112	Urban Arterial Trust Account
144	Transportation Improvement Account
20H	Connecting Washington Account
215	Special Category C Account
303	Highway Bond Retirement Account
305	TIB Bond Retirement Account
550	Transportation 2003 Account

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. 1297 of such Committee, adopted at an open public meeting thereof held on this 8th day of July, 2025, 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 8, 2025.

Jason P. Richter, Secretary
State Finance Committee



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 5 -

SFC Resolution No. 1298

Authorizes the issuance of Various Purpose General Obligation Refunding Bonds of the State in a principal amount not to exceed \$3,966,565,000 and Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Refunding Bonds of the State in a principal amount not to exceed \$1,063,405,000 for the purpose of refunding certain outstanding Various Purpose General Obligation Bonds, Various Purpose General Obligation Refunding Bonds, Motor Vehicle Fuel Tax General Obligation Bonds, Motor Vehicle Fuel Tax General Obligation Refunding Bonds, and Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds; making certain other provisions with respect to the payment of the principal of and interest on the bonds; approving the form of a refunding escrow agreement with respect to the bonds to be refunded; and providing for other matters properly related thereto. Resolution No. 1298 also authorizes the State Treasurer to adopt bond sale resolutions.

Office of the State Treasurer

P.O. Box 40200 Olympia, Washington 98504-0200
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State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter
Deputy State Treasurer

RE: **Proposed Resolution No. 1298** authorizes the issuance and sale of State of Washington General Obligation Refunding Bonds

Resolution Purpose

Proposed Resolution No. 1298 authorizes the issuance of Various Purpose General Obligation Refunding Bonds of the state, in a principal amount not to exceed \$3,966,565,000 and Motor Vehicle Fuel Tax And Vehicle Related Fees General Obligation Refunding Bonds of the state, in a principal amount not to exceed \$1,063,405,000, for the purpose of refunding certain outstanding Various Purpose General Obligation Bonds, Various Purpose General Obligation Refunding Bonds, Motor Vehicle Fuel Tax General Obligation Bonds, Motor Vehicle Fuel Tax General Obligation Refunding Bonds, and Motor Vehicle Fuel Tax And Vehicle Related Fees General Obligation Bonds of the state; making certain other provisions with respect to the payment of the principal of and interest on the bonds; approving the form of a refunding escrow agreement with respect to the bonds to be refunded; and providing for other matters properly related thereto.

Resolution No. 1298 also authorizes the Deputy State Treasurer to establish the method of sale of the bonds and the State Treasurer to adopt bond sale resolutions.

Background

Proposed Resolution No. 1298 is an omnibus refunding resolution that updates the authority to refund outstanding refundable bonds. As of July 8, 2025, there are a total of \$3,966,565,000 Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds that are callable over the next four fiscal years (through the end of FY 2029). During the same time period, there are also a total of \$1,063,405,000 of callable Motor Vehicle Fuel Tax General Obligation Bonds, Motor Vehicle Fuel Tax General Obligation Refunding Bonds, and Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Bonds. Refundings are executed in accordance with the Committee's Debt Issuance Policy which establishes refunding savings thresholds.

Debt Service Savings

The state regularly executes refundings to reduce the state's borrowing costs. Refundings over the last ten years reduced the state's debt service costs by around \$1.58 billion on a nominal basis, or \$1.30 billion on a present value basis. Refundings executed during the 2023-25 Biennium produced approximately \$367.7 million of total debt service savings, or \$293.7 million on a present value basis.

Please see the following table for a summary of the refundings executed by the state over the past ten years.

Counsel

Assistance in preparing Proposed Resolution No. 1298 was provided by:

Bond Counsel: William Tonkin, Foster Garvey PC
Stacie Amasaki, Foster Garvey PC

Series	Sales Date	Purpose	Par Value	True Interest Cost (TIC)	Debt Service Savings	
					Total	PV Total
R-2016A	9/30/2015	Various Purpose	\$188,305,000	1.5954%	\$33,081,481	\$30,990,792
R-2016B	1/20/2016	Various Purpose	528,830,000	2.6945%	97,960,197	74,514,795
R-2016C	1/20/2016	MVFT	143,735,000	2.8422%	26,108,377	19,706,364
R-2017A	6/28/2016	Various Purpose	531,280,000	2.2392%	88,932,216	76,434,145
R-2017B	6/28/2016	MVFT	271,585,000	2.3884%	50,420,963	42,853,852
R-2017C	1/10/2017	Various Purpose	137,100,000	1.9241%	26,150,309	22,936,199
R-2017D	1/10/2017	MVFT	24,505,000	1.8844%	4,135,278	3,645,905
R-2018A	9/26/2017	Various Purpose	27,290,000	1.1999%	3,066,200	3,008,813
R-2018B	9/26/2017	MVFT	29,305,000	1.2380%	3,536,344	3,456,298
R-2018C	11/14/2017	Various Purpose	742,645,000	2.7500%	137,848,799	107,782,059
R-2018D	11/30/2017	Various Purpose	501,545,000	3.0345%	69,215,749	52,487,584
R-2020A	9/26/2019	Various Purpose	91,360,000	1.3566%	13,613,942	13,036,979
R-2020B	9/26/2019	MVFT	53,105,000	1.3567%	7,868,039	7,536,545
R-2020C	4/22/2020	Various Purpose	222,045,000	1.0923%	30,055,323	29,312,441
R-2020D	4/22/2020	MVFT	188,690,000	1.0890%	20,523,490	20,513,098
R-2021A	11/13/2019	MVFT (SR 520)	396,315,000	3.2255%	102,031,047	76,387,268
R-2021B	10/20/2020	Various Purpose	104,980,000	0.2824%	11,010,322	10,949,265
R-2021C	4/20/2021	Various Purpose	164,065,000	1.4394%	39,596,131	36,896,194
R-2021D	4/20/2021	MVFT	191,610,000	1.8084%	72,595,658	64,595,501
R-2022A	11/2/2021	Various Purpose	132,980,000	1.7223%	35,884,757	32,243,645
R-2022B	11/2/2021	MVFT	133,400,000	2.0487%	39,969,010	34,911,070
R-2022C	4/26/2022	Various Purpose	860,680,000	2.8212%	58,456,669	50,528,808
R-2022D	4/26/2022	MVFT	499,700,000	3.0021%	31,762,722	24,066,686
R-2022E	6/14/2022	GARVEE	118,155,000	2.2923%	4,554,455	4,343,919
R-2023A	4/26/2023	Various Purpose	828,715,000	2.7618%	127,238,751	105,620,166
R-2023B	4/26/2023	MVFT & VRF	514,350,000	3.0883%	72,626,742	55,112,020
R-2024A	11/7/2023	Various Purpose	289,660,000	3.7526%	38,734,765	29,352,206
R-2024B	11/7/2023	MVFT & VRF	181,845,000	3.7747%	20,591,265	18,037,562
R-2024C	3/26/2024	MVFT & VRF	1,092,550,000	3.2281%	22,766,977	18,823,399
R-2025A	6/25/2024	Various Purpose	286,120,000	3.2933%	37,300,999	28,623,467
R-2025B	10/30/2024	Various Purpose	891,395,000	3.1801%	116,980,805	94,665,222
R-2025C	10/30/2024	MVFT & VRF	659,205,000	3.1616%	71,521,453	58,437,676
R-2025D	4/23/2025	Various Purpose	360,010,000	3.8138%	44,008,861	33,647,882
R-2025E	4/23/2025	MVFT & VRF	129,840,000	3.8131%	15,838,386	12,110,330
			\$11,516,900,000		\$1,575,986,484	\$1,297,568,155

EXECUTION VERSION

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1298

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS OF THE STATE, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,966,565,000 AND MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION REFUNDING BONDS OF THE STATE, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,063,405,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING VARIOUS PURPOSE GENERAL OBLIGATION BONDS, VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS, MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION BONDS, MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION REFUNDING BONDS, AND MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION BONDS OF THE STATE; MAKING CERTAIN OTHER PROVISIONS WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; APPROVING THE FORM OF A REFUNDING ESCROW AGREEMENT WITH RESPECT TO THE BONDS TO BE REFUNDED; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

ADOPTED: JULY 8, 2025

Table of Contents

Section 1.	Definitions.....	2
Section 2.	Authorization and Purpose of the Bonds	5
Section 3.	Description of the Bonds	6
Section 4.	Place, Manner and Medium of Payment.....	6
Section 5.	Allocation of the Bonds to the Refunded Bonds	6
Section 6.	Redemption; Notice; Purchase; Cancellation	7
Section 7.	Pledges Securing the Bonds.....	8
Section 8.	Deposits Into and Payments From the VP Bond Fund	9
Section 9.	Deposits Into and Payments From the MVFT/VRF Bond Fund	10
Section 10.	Enforcement of Rights	11
Section 11.	Form of Bonds	11
Section 12.	Execution of Bonds.....	11
Section 13.	Authentication and Delivery of Bonds by Bond Registrar	11
Section 14.	Bond Registrar; Registration of Bonds	11
Section 15.	Mutilated, Lost, Stolen or Destroyed Bonds.....	14
Section 16.	Defeasance	14
Section 17.	Sale of the Bonds	14
Section 18.	Official Statement	15
Section 19.	Delivery of Bonds	16
Section 20.	Tax Covenants	16
Section 21.	Undertaking to Provide Ongoing Disclosure.....	16
Section 22.	Redemption of the Refunded Bonds	19
Section 23.	Acquisition of Government Obligations and Other Investments.....	19
Section 24.	Verification of Sufficiency of Escrow	20
Section 25.	Escrow Agreement.....	20
Section 26.	Application of Bond Proceeds	20
Section 27.	Defeasance of Refunded Bonds	20
Section 28.	Contract; Severability	21
Section 29.	Filing of Resolution	21
Section 30.	Ratification.....	21
Section 31.	Immediate Effect.....	21

Exhibit 1 - Form of Escrow Agreement

Exhibit 2 - Schedule of Refunded Bond Candidates and Bond Funds

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1298

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS OF THE STATE, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,966,565,000 AND MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION REFUNDING BONDS OF THE STATE, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,063,405,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING VARIOUS PURPOSE GENERAL OBLIGATION BONDS, VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS, MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION BONDS, MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION REFUNDING BONDS, AND MOTOR VEHICLE FUEL TAX AND VEHICLE RELATED FEES GENERAL OBLIGATION BONDS OF THE STATE; MAKING CERTAIN OTHER PROVISIONS WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; APPROVING THE FORM OF A REFUNDING ESCROW AGREEMENT WITH RESPECT TO THE BONDS TO BE REFUNDED; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, the State of Washington (the “State”) issued and sold offerings of different series of State various purpose general obligation bonds, State motor vehicle fuel tax general obligation bonds, and State motor vehicle fuel tax and vehicle related fees general obligation bonds; and

WHEREAS, the State Finance Committee (the “Committee”), or the State Treasurer on behalf of the Committee, from time to time will receive, review and adopt a plan to refund selected maturities of those outstanding bonds that are callable for redemption prior to their respective stated maturities (hereinafter defined as the “Refunded Bonds”), which selected maturities will be identified in the Bond Sale Resolutions (hereinafter defined); and

WHEREAS, in each of the resolutions that authorized the Refunded Bonds, the State reserved the right to redeem the Refunded Bonds prior to their respective stated maturities; and

WHEREAS, chapters 39.42 and 39.53 RCW (collectively, the “Bond Act”) authorize the Committee to provide for the issuance and sale, without an election, of general obligation bonds of the State to refund the Refunded Bonds; and

WHEREAS, upon the issuance of refunding bonds for that purpose, the Refunded Bonds no longer shall be considered to be outstanding for purposes of the limitation on State debt

contained in Article VIII, Section 1 of the State Constitution, to the extent applicable to the Refunded Bonds; and

WHEREAS, on March 17, 2022, the Governor of the State signed into law Senate Bill 5898 as Chapter 103, Laws of 2022, effective on June 9, 2022 (“SB 5898”), which amended and supplemented certain existing highway bond authorization acts by providing an additional pledge of vehicle related fees to pay and secure those bonds issued after the effective date of SB 5898 that are authorized to be issued but that were not issued and outstanding under those existing highway bond authorization acts on the effective date of SB 5898; and

WHEREAS, SB 5898 also amended RCW 39.53.120(2) to provide that any refunding bonds issued after the effective date of SB 5898 to refund highway bonds that were issued before the effective date of SB 5898 must be issued in accordance with the provisions of law applicable to highway bonds at the time of issuance of the refunding bonds; and

WHEREAS, the Committee deems it necessary and advisable that the issuance and sale of not to exceed \$3,966,565,000 in State various purpose general obligation refunding bonds and not to exceed \$1,063,405,000 in motor vehicle fuel tax general obligation and vehicle related fees refunding bonds now be authorized for the purposes of refunding the Refunded Bonds and thereby effecting one or more purposes authorized by the Bond Act;

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

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this section 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:

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

Bond Act means, collectively, chapters 39.42 and 39.53 RCW.

Bond Register means the registration books on which are maintained the names and addresses of the Registered Owners of the Bonds.

Bond Registrar means the Fiscal Agent.

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 identifies the Refunded 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.

Bonds means, collectively, the VP Bonds and the MVFT/VRF Bonds, issued in Series from time to time.

Chair means the Chair of the Committee.

Code means the Internal Revenue Code of 1986, as amended from time to time, together with all applicable rulings and regulations promulgated thereunder.

Commission means the Securities and Exchange Commission

Committee means the State Finance Committee of the State, or any successor thereof.

Deputy State Treasurer means the Deputy State Treasurer and Secretary of the Committee.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for each Series of Bonds pursuant to Section 14 hereof.

Escrow Agent means each bank or trust company acting in the capacity of Escrow Agent pursuant to the Escrow Agreement.

Escrow Agreement means, with respect to each Series of Bonds, an escrow deposit agreement between the Committee and the Escrow Agent, dated as of the Issue Date of such Series, providing for the safekeeping of certain Bond proceeds and the refunding of all or a portion of the Refunded Bonds.

Federal Credit Payments means amounts which the State is entitled to receive as a subsidy or tax credit payable by the United States Treasury to the State in respect of interest on any Bonds issued as Tax-Advantaged Bonds.

Fiscal Agent means the fiscal agency or fiscal agencies of the State as appointed from time to time by the Committee pursuant to chapter 43.80 RCW.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW.

Issue Date means the date on which a Series of Bonds is delivered to the initial purchaser or purchasers thereof upon payment in full of the purchase price therefor.

Laws means the statutes of the State.

Legislature means the Legislature of the State.

Letter of Representations means the Blanket Issuer Letter of Representations from the State to DTC.

MSRB means the Municipal Securities Rulemaking Board.

MVFT/VRF Bonds means the Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Refunding Bonds described in Section 3(b) of this resolution.

MVFT/VRF Bond Fund means the debt service funds in the State Treasury, created by RCW 47.10.080 (decodified in Section 9 of Chapter 4, Laws of 2015, 1st Spec. Sess.), and 43.99M.080 and known as the Highway Bond Retirement Account, and the Transportation Improvement Board Bond Retirement Account, as set forth in Exhibit 2 attached hereto, unless a different bond retirement fund is/or such other bond retirement fund as specified in the Bond Sale Resolution pertaining to a Series of Bonds.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding a payment date, unless another date is specified in a Bond Sale Resolution with respect to any Series of Bonds. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 6.

Refunded Bond Authorization Statutes means the statutes under which the Refunded Bonds were issued and which are to be listed in an exhibit to the applicable Bond Sale Resolutions. For the purpose of issuing MVFT/VRF Bonds under this resolution to refund motor vehicle fuel tax general obligation bonds and motor vehicle fuel tax general obligation refunding bonds that were issued prior to the effective date of SB 5898, the statutes under which such Refunded Bonds were issued shall be deemed to have been amended by SB 5898.

Refunded Bonds means any of the State's outstanding various purpose general obligation bonds, various purpose general obligation refunding bonds, motor vehicle fuel tax general obligation bonds, motor vehicle fuel tax general obligation refunding bonds, and motor vehicle fuel tax and vehicle related fees general obligation bonds, including but not limited to the bonds listed in Exhibit 2 hereto, or specific maturities thereof, to be refunded and defeased with a portion of the proceeds of the Bonds, which bonds and maturities will be identified in an exhibit to the Bond Sale Resolutions.

Refunding Plan means, with respect to the issuance of each Series of Bonds, the refunding of all or a portion of the Refunded Bonds through the issuance of such Series, as will more particularly be described in an exhibit to the Bond Sale Resolution.

Registered Owner means, with respect to each Series of the Bonds, the person named as the registered owner of a particular Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

Series shall refer to each issue of Bonds issued in the future and identified by a separate series designation.

State means the State of Washington.

Tax-Advantaged Bonds means any Bonds that are designated by the State as Bonds with respect to which the State is eligible to receive Federal Credit Payments or the holders of which are eligible to receive a federal tax credit under any federal subsidy or credit program available under the Code.

Tax-Exempt Bonds means any Bond the interest on which is excludable from gross income of the Beneficial Owner for purposes of federal income tax.

Term Bonds means all Bonds that are identified as term bonds in the Bond Sale Resolutions, the payment of which will be made from mandatory sinking fund deposits into the MVFT/VRF Bond Fund or the VP Bond Fund, as appropriate.

Underwriters means the underwriters identified in the Bond Sale Resolutions.

VP Bond Fund means the debt service funds in the State Treasury created by Chapter 456, Laws of 1997, Sections 30 through 36, known as the Debt-limit General Fund Bond Retirement Account, the Debt-limit Reimbursable Bond Retirement Account, the Nondebt-limit General Fund Bond Retirement Account, the Nondebt-limit Reimbursable Bond Retirement Account, the Nondebt-limit Proprietary Appropriated Bond Retirement Account, the Nondebt-limit Proprietary Non-appropriated Bond Retirement Account and the Nondebt-limit Revenue Bond Retirement Account funds, as set forth in Exhibit 2 attached hereto, unless such other bond retirement fund is/or such other bond retirement fund as specified in the Bond Sale Resolution pertaining to such Bonds.

VP Bonds means the Various Purpose General Obligation Refunding Bonds described in Section 3(a) of this resolution.

Section 2. Authorization and Purpose of the Bonds. The Committee, on behalf of the State, authorizes the issuance and sale of the Bonds, in one or more sales and in one or more Series, all as provided in the Bond Act, for the purposes of implementing the Refunding Plan and paying the costs and expenses of selling, issuing and delivering the Bonds. The Refunding Plan implemented by a Series of Bonds may effect any purpose authorized by the Bond Act, including effecting a savings in debt service to the State or modifying debt service requirements, sources of payment, covenants or other terms of the Refunded Bonds.

The Committee covenants on behalf of the State that each Bond Sale Resolution for a Series will include a finding and covenant with respect to such Series to the effect that the Series, together with all other bonds issued simultaneously therewith, shall be issued within the applicable debt limitation of the State and as permitted under the Bond Act.

Section 3. Description of the Bonds.

(a) VP Bonds. The VP Bonds shall be designated the “State of Washington Various Purpose General Obligation Refunding Bonds,” with such additional Series designation or designations established by a Bond Sale Resolution, and shall be issued in an aggregate principal amount that, when added to the aggregate of the initial principal amounts of the previously issued Series of VP Bonds authorized by this resolution, does not exceed \$3,966,565,000.

(b) MVFT/VRF Bonds. The MVFT/VRF Bonds shall be designated the “State of Washington Motor Vehicle Fuel Tax and Vehicle Related Fees General Obligation Refunding Bonds,” with such additional Series designation or designations established by a Bond Sale Resolution, and shall be issued in an aggregate principal amount that, when added to the aggregate of the initial principal amounts of the previously issued Series of MVFT/VRF Bonds authorized by this resolution, does not exceed \$1,063,405,000.

(c) Provisions Applicable to All Bonds. The Bonds of each Series shall be dated as of their issue date; shall be in fully registered form; shall be in the denomination of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall mature on the date or dates in each of the years and in the principal amounts to be established by a Bond Sale Resolution; and shall bear interest from their Issue Date or the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, payable at such rate or rates on such interest payment dates, as established by the Bond Sale Resolution. The Bond Sale Resolution shall designate whether all or a portion of the Bonds of a Series will be issued as serial bonds or Term Bonds.

If any Bond shall have been duly presented for payment and not paid on such applicable date, then interest shall continue to accrue thereafter at the interest rate stated on such Bond until it is paid.

Section 4. Place, Manner and Medium of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. If the Bonds of any Series are in fully immobilized form and held by DTC, such payments of principal and interest on such Series shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations to the Registered Owner at the address appearing on the Bond Register as of the Record Date.

If the Bonds of any Series are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of such Bonds (if agreed to by the Committee)) to the Registered Owners of the Bonds of such Series at the addresses for such Registered Owners appearing on the Bond Register on the Record Date. Principal and premium, if any, of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners to the Bond Registrar.

Section 5. Allocation of the Bonds to the Refunded Bonds. The Committee shall, by the Bond Sale Resolutions, allocate the Series of Bonds to the various series of the Refunded Bonds

in such manner as will comply with applicable requirements of the Code, meet restrictions in the Bond Act concerning the refunding of voter-approved Refunded Bonds, and effectuate any other allocation deemed necessary or appropriate for accounting and debt administration purposes.

Section 6. Redemption; Notice; Purchase; Cancellation.

(a) Optional and Mandatory Redemption. The Bond Sale Resolution for a Series shall designate which maturities of the Series, if any, are subject to optional and mandatory redemption, and shall further provide for the time, manner and price at which such Series of Bonds may be redeemed prior to their stated maturities. As long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made in a random method determined by the Bond Registrar.

(b) Partial Redemption. Any Bond in the principal amount of greater than \$5,000 may be partially redeemed in any integral multiple of \$5,000. If the Bonds are no longer held in book-entry only form, then in such event, upon surrender of such Bond to the Bond Registrar, a new Bond or Bonds (at the option of the Registered Owner), of the same Series, date, maturity and interest rate and in the aggregate principal amount remaining unredeemed, in any denomination authorized by this resolution, shall be authenticated and delivered, without charge, to the Registered Owner thereof.

(c) Purchase. The State hereby reserves the right to purchase any or all of the Bonds offered for sale to the State at any time, at any price.

(d) Effect of Optional Redemption/Purchase. If the State redeems under the optional redemption provisions, purchases in the open market or defeases Term Bonds of a Series, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The State Treasurer shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation at least 60 days prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(e) Notice of Redemption. While the Bonds are held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then in effect at DTC, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form, the State shall cause notice of any such intended redemption (which redemption shall be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption) to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. Additional notice of redemption may be sent at least 35 days before the redemption date to the MSRB and to such persons and with such additional information as the Deputy State Treasurer

shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(f) Rescission of Optional Redemption Notice. In the case of an optional redemption, the notice of redemption may state that the State retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been given shall remain outstanding.

(g) Effect of Redemption. If the State shall have set aside on the date fixed for redemption sufficient money for the payment of Bonds called for redemption on the date fixed for redemption, the Bonds so called shall cease to accrue interest after such redemption date, and all such Bonds shall be deemed not to be outstanding hereunder for any purpose, except that the Registered Owners thereof shall be entitled to receive payment of the redemption price and accrued interest to the redemption date from the money set aside for such purpose.

(h) Cancellation of Bonds. All Bonds purchased or redeemed under this Section 6 shall be canceled.

Section 7. Pledges Securing the Bonds.

(a) VP Bonds. The VP Bonds are general obligations of the State. The State, acting by and through the Committee, pledges its full faith and credit to the payment of the principal of and the interest on the VP Bonds and unconditionally promises to pay that principal and interest as the same shall become due.

(b) MVFT/VRF Bonds.

(i) Pledge of Full Faith and Credit. The MVFT/VRF Bonds are general obligations of the State. The State, acting by and through the Committee, pledges its full faith and credit to the payment of the principal of and the interest on the MVFT/VRF Bonds and unconditionally promises to pay that principal and interest as the same shall become due.

(ii) Pledge of State Excise Taxes on Fuel and Vehicle-Related Fees. The principal of and interest on the MVFT/VRF Bonds shall be first payable in the manner provided by the applicable Refunded Bond Authorization Statutes from the proceeds of the state excise taxes on fuel imposed by Chapter 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. On behalf of the State and as a part of the contract of sale of the MVFT/VRF Bonds, the proceeds of such excise taxes are pledged to the payment of any MVFT/VRF Bonds and the interest thereon, and in the Refunded Bond Authorization Statutes the Legislature has agreed to continue to impose those excise taxes on fuel and vehicle-related fees in amounts sufficient to pay, when due, the principal of and interest on all bonds issued under the authority of the Refunded Bond Authorization Statutes.

Any funds required to pay the MVFT/VRF Bonds allocated to the Refunded Bonds issued under particular Refunded Bond Authorization Statutes, or the interest thereon when

due shall be taken from that portion of the Motor Vehicle Fund as specified in the applicable Refunded Bond Authorization Statutes, and shall never constitute a charge against any allocations of such funds to counties, cities, and towns unless and until the amount arising from the excise tax on motor vehicle fuels and vehicle-related fees as specified in the applicable Refunded Bond Authorization Statutes proves insufficient to meet the requirements for bond retirement or interest on any such MVFT/VRF Bonds.

The charge on such excise taxes and vehicle-related fees for payment of the Bonds shall be equal to the charge on such excise taxes and vehicle-related fees for the payment of the principal of and interest on any other general obligation bonds of the State issued under authority of legislation authorized by the 45th Session of the Legislature (1979-1980) or thereafter and which pledged (on an equal basis) motor vehicle and special fuel taxes and vehicle-related fees for the payment of the principal thereof and interest thereon.

(c) Additional Means for Payment of Bonds. The Legislature may provide additional means for raising money for the payment of the principal of and interest on the Bonds, and the Refunded Bond Authorization Statutes shall not be deemed to provide exclusive methods for such payment.

Section 8. Deposits Into and Payments From the VP Bond Fund.

(a) Deposits into the VP Bond Fund. On behalf of the State and as a part of the contract of sale of the VP Bonds, it is hereby covenanted and agreed with the Registered Owners from time to time of the VP Bonds that the Committee shall, on or before June 30 of each year, certify to the State Treasurer the amount needed in the ensuing 12 months to meet the Bond retirement and interest requirements on the VP Bonds; provided, however, that the percentage of receipts required in connection with the payments due prior to the start of the next fiscal year shall be estimated within 30 days following the date of sale of the VP Bonds. Payments into the VP Bond Fund shall be made with respect to the Refunded Bonds, and the State Treasurer shall at the times set forth in the Refunded Bond Authorization Statutes applicable to such Refunded Bonds (or to the bonds originally issued and refunded by such Refunded Bonds), withdraw from any general State revenues received in the State Treasury and deposit into the VP Bond Fund such amounts as are required to pay debt service on such VP Bonds on the payment date.

Any amounts received from the Federal government as Federal Credit Payments with respect to VP Bonds issued as Tax-Advantaged Bonds shall be deposited in the VP Bond Fund.

Interest earnings on money in the VP Bond Fund shall remain in the VP Bond Fund and shall be used and applied to pay the principal of and interest on the VP Bonds or other bonds payable from the VP Bond Fund.

(b) Payments from the VP Bond Fund. On or before each date that payments are due on the VP Bonds, the State Treasurer shall pay from the VP Bond Fund to the Bond Registrar sufficient money to pay the principal of and interest next coming due on the VP Bonds then outstanding. For purposes of this Section 8, principal of the outstanding VP Bonds shall be considered as coming due on their respective dates of maturity or, in the case of Term Bonds, on

the dates and in the amounts scheduled for their mandatory redemption. The amount required to be deposited into the VP Bond Fund and paid to the Bond Registrar, for purposes of effecting the payment of the VP Bonds or the mandatory redemption of Term Bonds, is subject to reduction arising from the State's purchase or optional redemption of the VP Bonds in the manner described in Section 6 of this resolution.

(c) Reimbursements of the General Fund. The General Fund in the State Treasury shall be reimbursed with respect to payments made on account of the VP Bonds in the manner and to the extent described in the applicable Refunded Bond Authorization Statutes.

Section 9. Deposits Into and Payments From the MVFT/VRF Bond Fund.

(a) Deposits into the MVFT/VRF Bond Fund. On or before June 30 of each year, the Committee shall certify to the State Treasurer the amount required to pay principal of and interest on the MVFT/VRF Bonds in the next fiscal year; provided, however, that the percentage of receipts required in connection with the payments due prior to the start of the next fiscal year shall be estimated within 30 days following the date of sale of the MVFT/VRF Bonds. Payments into the MVFT/VRF Bond Fund shall be made with respect to the Refunded Bonds, and the State Treasurer shall at the times set forth in the Refunded Bond Authorization Statutes applicable to such Refunded Bonds (or to the bonds originally issued and refunded by such Refunded Bonds), withdraw revenues from the Motor Vehicle Fund and deposit into the MVFT/VRF Bond Fund such amounts as are required to pay debt service on such MVFT/VRF Bonds.

Any amounts received from the Federal government as Federal Credit Payments with respect to MVFT/VRF Bonds issued as Tax-Advantaged Bonds shall be deposited in the MVFT/VRF Bond Fund.

Any surplus money in the MVFT/VRF Bond Fund may, in the discretion of the Committee, be used to redeem any bonds payable from the MVFT/VRF Bond Fund (subject to applicable bond covenants) prior to scheduled maturities or may remain in the MVFT/VRF Bond Fund to reduce requirements upon the fuel tax portion of the Motor Vehicle Fund.

Interest earnings on money in the MVFT/VRF Bond Fund shall remain in the MVFT/VRF Bond Fund and shall be used and applied to pay the principal of and interest on the MVFT/VRF Bonds or other bonds payable from the MVFT/VRF Bond Fund.

(b) Payments from the MVFT/VRF Bond Fund. On or before the date such payments are due from time to time, the State Treasurer shall pay to the Bond Registrar, from money in the MVFT/VRF Bond Fund, sums sufficient to pay the principal of and interest coming due on MVFT/VRF Bonds then outstanding. For purposes of this Section 9, principal of the outstanding MVFT/VRF Bonds shall be considered as coming due on their respective dates of maturity or, in the case of Term Bonds, on the dates and in the amounts scheduled for their mandatory redemption. The amount required to be deposited into the MVFT/VRF Bond Fund and paid to the Bond Registrar, for purposes of effecting the payment of the MVFT/VRF Bonds or the mandatory redemption of Term Bonds, is subject to reduction arising from the State's purchase or optional redemption of the MVFT/VRF Bonds in the manner described in Section 6 of this resolution.

(c) Accurate Records. The State shall maintain accurate records showing all collections of motor vehicle and special fuel taxes levied pursuant to Chapter 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes and all payments made into and out of the MVFT/VRF Bond Fund and such records shall be made available for inspection at any reasonable time by the Registered Owners of any of the MVFT/VRF Bonds.

Section 10. Enforcement of Rights. The Registered Owner of each Bond, or a trustee for the Registered Owners of any of the Bonds, may by mandamus or other appropriate proceeding require the transfer and payment of money as directed in the Bond Act and this resolution.

Section 11. Form of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this resolution, the applicable Bond Sale Resolution and state law.

Section 12. Execution of Bonds. The Bonds shall be executed on behalf of the State by the facsimile or manual signatures of the Governor and the State Treasurer. A facsimile of the official seal of the State shall be imprinted or otherwise reproduced on the Bonds, and the facsimile is adopted as the seal of the State for the Bonds. If any officer who shall have signed or whose facsimile signature appears on any Bond shall cease to be that officer before that Bond shall have been actually authenticated or issued, that Bond, nevertheless, may be authenticated and issued and, upon such authentication and issue, shall be as binding upon the State as though that person had not ceased to be that officer. Any Bond may be executed on behalf of the State by an officer who, on the actual date of execution of the Bond, shall be the proper officer of the State, although on the date of the Bond that officer might not have held that office.

Section 13. Authentication and Delivery of Bonds by Bond Registrar. The Bond Registrar is authorized and directed, on behalf of the State, to authenticate and deliver the Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this resolution. Only those Bonds bearing a Certificate of Authentication, in the following form, manually executed by an authorized representative of the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is one of the State of Washington [Name of Series], dated ____, 20__, described in the Bond Resolution." The Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

Section 14. Bond Registrar; Registration of Bonds.

(a) Registration Covenant. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The State covenants that, until all Bonds have been surrendered and canceled, it will maintain or cause to be maintained a system of recording the ownership of each Bond that complies with the provisions of Section 149(a) of the Code.

(b) Bond Registrar. The Bond Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust office, which shall be open to inspection by the State

at all times during regular business hours. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the State, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the State's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar 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.

(c) Registered Ownership. The State and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 21 of this resolution), and neither the State nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4 of this resolution, but the registration may be transferred as herein provided. All payments made as described in Section 4 shall be valid and shall satisfy and discharge the liability of the State upon the Bond to the extent of the amount or amounts so paid.

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

Neither the State nor the Bond Registrar 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 each Series of Bonds 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 Series of Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution or a Bond Sale Resolution (except such notices as shall be required to be given by the State to the Bond Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series of Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner of such Series for all purposes hereunder and under the respective Bond Sale Resolution, and all reference herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series of Bonds.

(e) Use of Depository.

(i) Unless otherwise specified in a Bond Sale Resolution, the Bonds of each Series authorized herein shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, with all Bonds maturing on the same maturity date and bearing the same interest rate in the form of a single certificate. Registered ownership of such immobilized Bonds, 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 Bond Registrar shall, upon receipt of all outstanding Bonds of a Series, together with a written request on behalf of the Committee, issue a single new Bond for each maturity of the Series of the immobilized Bonds 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 of the Committee.

(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 Committee determines that it is in the best interest of the Beneficial Owners of any Series of Bonds that owners of Bonds of that Series be able to obtain those bonds in the form of Bond certificates, the ownership of that Series of Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Committee shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds for that Series to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of that Series together with a written request on behalf of the Committee to the Bond Registrar, new Bonds 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 Bond may be registered and Bonds may be exchanged, but no transfer of any Bond shall be valid unless such Bond is surrendered to the Bond Registrar, with the assignment form appearing on such Bond duly executed by the Registered Owner or its duly authorized agent in a manner satisfactory to the Bond Registrar. Upon surrender of a Bond for transfer or exchange, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond or Bonds (at the option of the new Registered Owner) of the same Series, date, maturity and interest rate and for

the same aggregate principal amount of the surrendered Bond, in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds, as appropriate, of the same Series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the period between the applicable Record Date and the next upcoming interest payment, principal payment or redemption date.

Section 15. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, lost, stolen or destroyed, the Bond Registrar shall, upon request of the State, authenticate and deliver a new Bond, as appropriate, of the same Series, date, interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with Law. If the lost, stolen or destroyed Bond has matured, the State, at its option, may pay the same without its surrender, in accordance with Law. However, no substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of its ownership and (b) such additional security, indemnity or evidence as may be required by the Committee. No substitute Bond shall be furnished until the applicant shall reimburse the State and the Bond Registrar for their respective expenses in the furnishing thereof. Each substitute Bond shall be equally and proportionately entitled to the security of this resolution with all other Bond or Bonds of the same Series, as appropriate, then outstanding. The State shall not be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued and outstanding hereunder, but both the original and the duplicate Bond shall be treated as one and the same.

Section 16. Defeasance. If money and/or “Government Obligations” (as defined in chapter 39.53 RCW, as now in existence or hereafter amended) 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 a Series of Bonds 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 Bond Fund for the payment of principal of and interest on such Bonds, the Registered Owners thereof shall cease to be entitled to any lien, benefit or security of this resolution, except the right to receive payment of the principal of and interest on such Bonds 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 Bonds shall no longer be deemed to be outstanding hereunder.

Section 17. Sale of the Bonds.

(a) Methods 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, the Deputy State Treasurer 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 the Deputy State Treasurer deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale, the Deputy State Treasurer 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 those 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.

(c) Elections to Treat Bonds as Tax-Advantaged Bonds. If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Tax-Advantaged Bonds, the Bond Sale Resolution shall include those elections and other provisions as may be required under the Code for the State to designate that Series of Bonds as Tax-Advantaged Bonds and may authorize other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable Federal Credit Payments or for the holders to receive the applicable tax credit in respect of those Bonds.

Section 18. Official Statement. To allow the initial Underwriters of the Bonds of each Series to comply with Section (b)(1) of the Rule, the Committee hereby authorizes the State Treasurer or Deputy State Treasurer to execute a certificate “deeming final,” as of its date, the preliminary official statement to be prepared by the State in connection with the offering of each Series of Bonds. A preliminary official statement may be deemed final even though it omits information as to offering prices, interest rates, selling compensation, aggregate principal amounts, principal amount per maturity, maturity dates, options of redemption, delivery date, ratings and other terms of the Bonds that are dependent on such matters.

The Committee authorizes and approves the preparation, execution (which may be through a certificate) by the State Treasurer or Deputy State Treasurer and delivery to the Underwriter of a final official statement for the Bonds of each Series, in the form of the preliminary official statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the State Treasurer or Deputy State Treasurer. The Committee authorizes and

approves the distribution by the Underwriters of the preliminary official statement to potential purchasers of the Bonds and the final official statement to purchasers of the Bonds.

Section 19. Delivery of Bonds. The proper State officials are authorized and directed to execute all documents and to do everything necessary, without unreasonable delay after each Bond Sale Resolution is adopted, for (a) the preparation and delivery of transcripts of proceedings pertaining to the Series of Bonds sold thereunder, and (b) the preparation, authentication and delivery of such Bonds, in definitive form, to the initial Underwriters thereof.

Each Series of Bonds will be prepared at the State's expense and will be delivered to the initial Underwriters thereof in accordance with its offer to purchase the Bonds of such Series, with the approving legal opinion of Bond Counsel regarding each such Series.

Section 20. Tax Covenants. The Committee on behalf of the State covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Tax-Exempt Bonds and will take or require to be taken such acts as may be permitted by law and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. Without limiting the generality of the foregoing, the State will comply with Section 148 of the Code, will spend the proceeds of the Tax-Exempt Bonds with due diligence to completion of the purposes specified herein, will pay any required rebate or penalty (if permitted in lieu of loss of tax exemption) to the United States under Section 148(f) of the Code, and will not invest or make other use of the proceeds of the Tax-Exempt Bonds or of its other money or take such other intentional acts at any time during the term of the Tax-Exempt Bonds that will cause such Tax-Exempt Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code. The State Treasurer may establish such accounts and/or subaccounts as the State Treasurer deems necessary to comply with this section.

The Committee on behalf of the State also covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the entitlement of the State to receive from the United States Treasury the applicable Federal Credit Payments in respect of Tax-Advantaged Bonds, or the entitlement of the Beneficial Owners to receive tax credits in respect of Tax-Advantaged Bonds.

Section 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 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; and

(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) 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 (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 Bonds, or other material events affecting the tax status of the 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 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.

(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 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 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 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 22. Redemption of the Refunded Bonds. As part of a Refunding Plan, the State, acting by and through the Committee, will call for redemption, prior to maturity, the Refunded Bonds at the times and at the prices to be set forth in each Bond Sale Resolution. Such call for redemption of the Refunded Bonds may be subject to revocation by the State prior to, and/or conditioned upon, delivery to the initial purchaser of the applicable Series of Bonds and receipt of the proceeds thereof by the State, but shall be irrevocable thereafter. The proper State officials are authorized and directed to give or cause to be given such notice as may be required, at the times and in the manner required, pursuant to the various Refunded Bond Authorization Statutes and the resolutions authorizing the issuance of the various Series of Refunded Bonds, in order to effect the redemption prior to their maturity of the Refunded Bonds on the dates to be set forth in the Bond Sale Resolutions.

Section 23. Acquisition of Government Obligations and Other Investments. For each issuance of the Bonds, but only to the extent required pursuant to the respective Refunding Plan, the Deputy State Treasurer shall acquire, or cause the Escrow Agent to acquire, on behalf of the Committee, those Government Obligations, which, taking into consideration the interest to be earned thereon and on other money deposited with the Escrow Agent pursuant to the Refunding Plan, shall be scheduled to provide cash flow sufficient to pay: (a) interest on the Refunded Bonds described in such Refunding Plan, when due, to and including their respective call dates under the Refunding Plan; and (b) on the respective call dates of such Refunded Bonds, the principal of those Refunded Bonds scheduled to be called on such dates under the Refunding Plan. The Deputy State Treasurer shall designate or cause the Escrow Agent to designate that all of the principal of and

interest on the Government Obligations, acquired or subscribed for, shall be payable to the Escrow Agent. Those subscriptions may be amended as permitted by federal law and regulations.

Section 24. Verification of Sufficiency of Escrow. If required pursuant to the respective Refunding Plan, the Deputy State Treasurer is authorized and directed to obtain, prior to the Issue Date for each Series of the Bonds, an independent verification from a national firm of independent certified public accountants that, among other things, the cash flow scheduled to be received from any Government Obligations described in the respective Refunding Plan, together with any uninvested initial cash balances, shall be sufficient to make the payments described in Section 23 of this resolution with respect to the Refunded Bonds that are the subject of such Refunding Plan. At such Issue Dates, if there has been any change in Government Obligations or cash deposited with the Escrow Agent under the respective Refunding Plan, the State Treasurer or Deputy State Treasurer shall verify the sufficiency of the Escrow Account in such manner as shall be deemed appropriate, and the independent verification of the national firm of independent certified public accountants shall be amended accordingly.

Section 25. Escrow Agreement. Any Escrow Agreements between the Committee and the Escrow Agent shall be substantially in a form of Exhibit 1 attached hereto and hereby made a part hereof. The State Treasurer is authorized and directed to execute and deliver an Escrow Agreement to the Escrow Agent, on behalf of the Committee, on or before each Issue Date of the Bonds with such changes as the State Treasurer deems to be in the State's best interest; and the execution and delivery of such Escrow Agreement shall evidence, irrevocably, the approval of the executed Escrow Agreement by the Committee.

Section 26. Application of Bond Proceeds. The State Treasurer shall cause accrued interest, if any, on each Series of Bonds received on each Issue Date to be deposited into the VP Bond Fund and the MVFT/VRF Bond Fund, as appropriate. The State Treasurer shall pay or deliver the other proceeds of each Series of Bonds (except for amounts necessary to pay the expenses of carrying out the applicable Refunding Plans, which shall be paid in such manner as determined by the Committee or State Treasurer) and/or the investments purchased with all or a portion of the money, as provided in the applicable Refunding Plan. The proper State officials are authorized and directed to execute and deliver all documents, purchase Government Obligations and/or other investments (as provided in the Escrow Agreements) and to take other actions necessary to accomplish the Refunding Plans.

Section 27. Defeasance of Refunded Bonds. Upon delivery of each Series of Bonds to the Underwriters thereof on the Issue Date, the Refunded Bonds to be redeemed with the proceeds of such Bonds shall no longer be considered to be outstanding for purposes of the limitation on State indebtedness contained in Article VIII, Section 1 of the State Constitution. Thereafter, such Refunded Bonds and any interest obligations relating to them shall cease to be entitled to any lien, benefit or security of the resolutions of the Committee pursuant to which they were issued, except for (a) the right to receive the money and the proceeds of the investments irrevocably deposited and set aside pursuant to any applicable Escrow Agreement, for payment of such Refunded Bonds, and except as otherwise provided in the resolutions authorizing the respective Refunded Bonds, and (b) any applicable covenants relating to the tax exemption for interest on tax-exempt Refunded Bonds.

Section 28. Contract; Severability. The covenants contained in this resolution and in the Series of Bonds issued hereunder shall constitute a contract between the State and the Registered Owner of each Bond. If any one or more of the covenants or agreements provided in this resolution, to be performed by the State, shall be declared by any court of competent jurisdiction after final appeal (if any appeal be taken) to be contrary to law, then the covenant or covenants, agreement or agreements, shall be null and void, 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 Bonds.

Section 29. 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 30. 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 31. Immediate Effect. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 8th day of July, 2025.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Bob Ferguson
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter
Deputy State Treasurer and Secretary

EXHIBIT 1

ESCROW DEPOSIT AGREEMENT

STATE OF WASHINGTON

**[Motor Vehicle Fuel Tax and Vehicle Related Fees][Various Purpose]
General Obligation Refunding Bonds
Series _____**

THIS ESCROW DEPOSIT AGREEMENT, dated as of the _____ day of _____, _____ (herein, together with any amendments or supplements hereto, called the “Agreement”), is entered into by and between the STATE OF WASHINGTON (herein called the “State”) and _____, as escrow agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The notice addresses of the State and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the State heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the “Refunded Bonds”); and

WHEREAS, pursuant to Resolution No. 1298 adopted on July 8, 2025, and Resolution No. _____ adopted on _____, 20____ (collectively, the “Resolution”), the State has determined to issue its [Motor Vehicle Fuel Tax and Vehicle Related Fees][Various Purpose] General Obligation Refunding Bonds, Series _____ (the “Refunding Bonds”) for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, the terms of the Resolution provide that the Refunding Bonds shall be issued and delivered on this date; and

WHEREAS, the Escrow Agent has reviewed the Resolution and this Agreement, and is willing to serve as Escrow Agent hereunder; and

WHEREAS, pursuant to the Resolution, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, _____ of _____, _____, has prepared a verification report dated _____, 20____ (the “Verification Report”) relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of principal of

and accrued interest due on the Refunded Bonds on the redemption date for the Refunded Bonds; and

WHEREAS, the Resolution authorizes the State to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds, directly with the Escrow Agent for any of the Refunded Bonds, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the discharge and final payment of the Refunded Bonds; and

WHEREAS, the Resolution further authorizes the State to enter into an escrow agreement with the Escrow Agent with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the State and the Escrow Agent may agree; and

WHEREAS, the Refunding Bonds have been duly authorized to be issued, sold and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunded Bonds when due [or redeemed] as shown on Exhibit C attached hereto; and

WHEREAS, the State desires that, concurrently with the delivery of each series of the Refunding Bonds to the purchasers thereof, certain proceeds of the Refunding Bonds, together with certain other available funds of the State, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Bonds as it accrues and becomes payable and the principal of and redemption premium (if any) on the Refunded Bonds as it becomes due and payable [or redeemed as shown on Exhibit C attached hereto]; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the State desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent; and

WHEREAS, when the Escrowed Securities for the Refunded Bonds have been deposited with the Escrow Agent for the payment of all principal of and accrued interest on the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, the Escrow Agent is a party to this Agreement to acknowledge its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the

full and timely payment of principal of and the interest and redemption premium (if any) on the Refunded Bonds, the State and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

ARTICLE 1. General

Section 1.1 Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

“Escrow Fund” means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

“Escrowed Securities” means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

“Government Obligations” means direct, noncallable (a) United States Treasury Securities, (b) United States Treasury Securities - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

“Paying Agent” means the fiscal agent of the State of Washington, as the paying agent for the Refunded Bonds.

Section 1.2 Other Definitions.

The terms “Agreement,” “State,” “Escrow Agent,” “Resolution,” “Verification Report,” “Refunded Bonds,” and “Refunding Bonds” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3 Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effect the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

ARTICLE 2. Deposit of Funds and Escrowed Securities

Section 2.1 Deposits in the Escrow Fund.

Concurrently with the sale and delivery of the Refunding Bonds, the State shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the State in writing.

ARTICLE 3. Creation and Operation of Escrow Fund

Section 3.1 Escrow Fund.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund funds provided by the State from proceeds of the Refunding Bonds, [together with a cash contribution provided by the State], sufficient to purchase the Escrowed Securities described in Exhibit D attached hereto. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest and redemption premium on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the State, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2 Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds at their respective redemption or maturity dates and interest accrued thereon to such maturity or redemption dates together with any redemption premium in the amounts and at the times shown in Exhibit C attached hereto.

Section 3.3 Sufficiency of Escrow Fund.

The State represents that, based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds mature and/or are paid on an optional redemption date prior to maturity and any redemption premium payable upon the optional redemption of the Refunded Bonds, all as more fully set forth in Exhibit C attached hereto.

Section 3.4 Trust Fund.

The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the State, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the State or, except to the extent expressly herein provided, by the Paying Agent.

ARTICLE 4. Limitation on Investments

Section 4.1 Investments.

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2 Substitution of Securities.

At the written request of the State, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Government Obligations which do not permit the redemption thereof at the option of the obligor, and in connection therewith the State reserves the right to call for redemption prior to maturity any of the Refunded Bonds to the extent permitted by their authorizing resolution and escrow verification. Any such transaction may be effected by the Escrow Agent only if the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and a verification report from an independent accounting firm or verification agent to the effect that such substitution, the securities and cash (if any) in the Escrow Fund shall be sufficient to pay principal, interest and premium (if any) on the Refunded Bonds when due.

ARTICLE 5. Application of Cash Balances

Section 5.1 In General.

Except as provided in Sections 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in U.S. currency and as cash balances as shown on the books and records of the Escrow Agent and shall not be reinvested by the Escrow Agent.

ARTICLE 6. Redemption of Refunded Bonds

Section 6.1 Call for Redemption.

The State hereby irrevocably calls the Refunded Bonds for redemption on the redemption dates shown in Exhibit B, and as shown in the Verification Report and in the form(s) of Notice of Redemption contained in Appendix A attached hereto.

Section 6.2 Notices of Redemption and Defeasance.

The Escrow Agent agrees to deliver notices of the redemption and defeasance of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A-1 through A-__, and as described on such Appendices A-1 through A-__, to the Paying Agent for distribution by the Paying Agent as described therein. The notices of defeasance shall be given [immediately/within two days] following the execution of this Agreement, and the notices of redemption shall be given in accordance with each of the resolutions authorizing the issuance of the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of such notices of redemption of the Refunded Bonds. The cost of publication of the notices will be paid by the State.

Section 6.3 Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 6.4 Reports.

While this Agreement remains in effect, the Escrow Agent shall prepare and send to the State a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance, if any, on deposit in the Escrow Fund as of the end of such period.

ARTICLE 7. Concerning the Escrow Agent

Section 7.1 Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.2 Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the State promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the State and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the State thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to risk, use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the State with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the State or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the State at any time.

Section 7.3 Compensation.

The payment arrangement heretofore made between the Escrow Agent and the State on compensation for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement is satisfactory to it and to the State, and no further payment to the Escrow Agent shall be required for such purpose. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 7.4 Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or if the Escrow Agent resigns, for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the State, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the State within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the State, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within 60 days after a vacancy shall have occurred, the owner of any Refunded Bond or the Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a bank, trust company or corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the State and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the State shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 7.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

ARTICLE 8. Miscellaneous

Section 8.1 Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the State or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 8.2 Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the State, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 8.3 Binding Agreement.

This Agreement shall be binding upon the State and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the State, the Escrow Agent and their respective successors and legal representatives.

Section 8.4 Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall

be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.5 Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 8.6 Time is of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.7 Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall materially adversely affect the rights of the holders of the Refunded Bonds, as may be evidenced by an opinion of counsel delivered to the Escrow Agent. No such amendment shall be made without first receiving written confirmation from the rating agencies, (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

STATE OF WASHINGTON

Deputy State Treasurer-Debt Management

[ESCROW AGENT]

Authorized Officer

- Exhibit A - Addresses of the State and the Escrow Agent
- Exhibit B - Description of the Refunded Bonds
- Exhibit C - Schedule of Debt Service on Refunded Bonds
- Exhibit D - Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Appendix A - Notices of Redemption and Defeasance

EXHIBIT A
Addresses of the State and Escrow Agent

State:

State of Washington
Office of State Treasurer
Legislative Building
Second Floor, Room 230
416 Sid Snyder Avenue SW
Olympia, Washington 98501

P. O. Box 40209
Olympia, Washington 98504-0200
Attention: Deputy State Treasurer—Debt Management

Escrow Agent:

Attention: Corporate Trust

EXHIBIT B
Description of the Refunded Bonds

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
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EXHIBIT C
Schedule of Debt Service on Refunded Bonds

[Attach schedules prepared by Financial Advisor]

EXHIBIT D
Escrow Deposit

Date of Deposit: _____

I. Cash - \$_____

II. Other Obligations

[For SLGS Escrow]

<u>Type*</u>	<u>Maturity</u> <u>Date</u>	<u>Par</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
--------------	--------------------------------	-----------------------------	--------------------------------

[For Open Market Escrow]

<u>Description</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Cost</u>	<u>Accrued</u> <u>Interest</u>	<u>Total Cost</u>
	\$	%	%	\$	\$	\$	\$

* CERT - United States Treasury Certificates of Indebtedness--State and Local Government Series
NOTE - United States Treasury Notes-State and Local Government Series

APPENDIX A-1
Notice of Defeasance*

STATE OF WASHINGTON
[MOTOR VEHICLE FUEL TAX] AND VEHICLE RELATED FEES][VARIOUS
PURPOSE] GENERAL OBLIGATION [REFUNDING] BONDS, SERIES _____

NOTICE IS HEREBY GIVEN to the owners of the following described bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, _____, by and between the State of Washington (the “State”) and _____, _____, _____ (the “Escrow Agent”), the State has deposited into an escrow fund, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption date of such bonds so provided for, the principal thereof and interest thereon (the “Refunded Bonds”). Such Refunded Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of resolutions authorizing their respective issuance, but will be paid by application of the assets of such escrow fund.

The Refunded Bonds are described as follows:

<u>Series Designation</u>	<u>Maturity Dates</u>	<u>Par Amounts (\$)</u>	<u>Interest Rates (%)</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Nos.</u>
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* This notice shall be given immediately to each registered owner of the Refunded Bonds in accordance with the operational arrangements then in effect at The Depository Trust Company, and to the MSRB.

By Order of the State of Washington

**U.S. Bank Trust Company, National Association,
as Paying Agent**

Dated: _____.

***Information for Individual Registered Owner**

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$_____.

The State and Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Defeased Bond. They are included solely for the convenience of the holders

_____, as Escrow Agent

APPENDIX A-2
Notice of Redemption*

STATE OF WASHINGTON
[MOTOR VEHICLE FUEL TAX] AND VEHICLE RELATED FEES][VARIOUS
PURPOSE] GENERAL OBLIGATION [REFUNDING] BONDS, SERIES _____

NOTICE IS HEREBY GIVEN that the State has called the following described bonds for redemption on the dates listed below. Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on their respective redemption dates. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

U.S. Bank Trust Company, National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

The Bonds are described as follows:

<u>Series Designation</u>	<u>Maturity Dates</u>	<u>Par Amounts (\$)</u>	<u>Interest Rates (%)</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Nos.</u>
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By Order of the State of Washington

**U.S. Bank Trust Company, National Association,
as Paying Agent**

Dated: _____.

Under Section 3406(a)(1) of the Internal Revenue Code the Registrar may be obligated to withhold a percentage of the principal of a holder who has failed to furnish the Registrar with a valid taxpayer identification number and a certification that the owner is not subject to backup withholding. Owners who wish to avoid the application of these provisions should submit a completed IRS Form W-9 when presenting their certificates for payment.

The State and Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

* This notice shall be given in accordance with the operational arrangements then in effect at The Depository Trust Company, and to the MSRB.

EXHIBIT 2

SCHEDULE OF REFUNDED BOND CANDIDATES AND BOND FUNDS

Key: VP = Various Purpose
 MVFT = Motor Vehicle Fuel Tax
 MVFT/VRF = Motor Vehicle Fuel Tax and Vehicle Related Fees

as of 06/11/2025

Dated Date	Issue	Par Amount of Callable Bonds (\$)	Bond Fund	Laws/ Session	Chapter/ (Section)	Authorizing Resolution
08/02/12	MVFT GO Bonds, Series 2013B-2	14,385,000	303	1998	321 16	1115
			303	2003	147 (1)	1115
			303	2005	315 (1)	1115
07/09/14	VP GO Bonds, Series 2015A-2	9,590,000	380	2006	167 201	1148
			380	2011 1 st Sp. Sess.	49 (7002)(1)(a-e)	1148
			380	2012 2 nd Sp. Sess.	1 201	1148
			380	2013 2 nd Sp. Sess.	20 1	1148
10/08/15	VP GO Bonds, Series 2016A-2	19,060,000	380	2011 1 st Sp. Sess.	49 (7002)(1)(a-e)	1170
			380	2013 2 nd Sp. Sess.	20 1	1170
			380	2015 3 rd Sp. Sess.	37 1	1170
02/16/16	VP GO Refunding Bonds, Series R-2016B	351,710,000	380	Ch. 39.42 RCW		1172
			383	Ch. 39.53 RCW		1172
02/16/16	VP GO Bonds, Series 2016C	234,605,000	380	2006	167 201	1170
			380	2009	498 (2)(1-5)	1170
			380	2011 1 st Sp. Sess.	49 (7002)(1)(a-e)	1170
			380	2013 2 nd Sp. Sess.	20 1	1170
			380	2015 3 rd Sp. Sess.	37 1	1170
02/16/16	MVFT GO Refunding Bonds, Series R-2016C	102,110,000	303	Ch. 39.42 RCW Ch. 39.53 RCW		1172
02/16/16	MVFT GO Bonds, Series 2016D	146,310,000	303	2003	147 (1)	1171
			303	2005	315 (1)	1171
07/14/16	VP GO Refunding Bonds, Series R-2017A	244,530,000	380	Ch. 39.42 RCW		1172
			383	Ch. 39.53 RCW		1172
07/14/16	VP GO Bonds, Series 2017A	354,110,000	380	2006	167 201	1170
			380	2009	498 (2)(1-5)	1170
			380	2013 2 nd Sp. Sess.	20 1	1170
			380	2015 3 rd Sp. Sess.	37 1	1170
07/14/16	MVFT GO Refunding Bonds, Series R-2017B	166,155,000	303	Ch. 39.42 RCW		1172
			305	Ch. 39.53 RCW		1172
09/20/16	MVFT GO Bonds, Series 2017B	99,245,000	303	2003	147 (1)	1171
			303	2005	315 (1)	1171

Dated Date	Issue	Par Amount of Callable Bonds (\$)	Bond Fund	Laws/ Session	Chapter/ (Section)	Authorizing Resolution
01/24/17	VP GO Bonds, Series 2017D	341,110,000	380	2009	498 (2)(1-5)	1170
			380	2013 2 nd Sp. Sess.	20 1	1170
			380	2015 3 rd Sp. Sess.	37 1	1170
01/24/17	MVFT GO Bonds, Series 2017E	18,230,000	303	2003	147 (1)	1171
10/11/17	VP GO Bonds, Series 2018A	273,820,000	380	2006	167 201	1170
			380	2013 2 nd Sp. Sess.	20 1	1170
			380	2015 3 rd Sp. Sess.	37 1	1170
10/11/17	MVFT GO Bonds, Series 2018B	74,555,000	303	2003	147 (1)	1196
			303	2005	315 (1)	1196
12/07/17	VP GO Refunding Bonds, Series R-2018C	411,610,000	380	Ch. 39.42 RCW		1197
			383	Ch. 39.53 RCW		1197
12/20/17	VP GO Refunding Bonds, Series R-2018D	342,725,000	380	Ch. 39.42 RCW		1197
			383	Ch. 39.53 RCW		1197
03/21/18	VP GO Bonds, Series 2018C	358,400,000	383	2008	179 202	1209
			380	2009	498 (2)(1-5)	1209
			380	2013 2 nd Sp. Sess.	20 1	1209
			380	2015 3 rd Sp. Sess.	37 1	1209
			380	2018	3 101	1209
03/21/18	MVFT GO Bonds, Series 2018D	81,965,000	303	2003	147 (1)	1196
			303	2005	315 (1)	1196
09/12/18	VP GO Bonds, Series 2019A	262,535,000	380	2006	167 201	1209
			383	2008	179 202	1209
			380	2011 1 st Sp. Sess.	49 (7002)(1)(a-e)	1209
			380	2013 2 nd Sp. Sess.	20 1	1209
			380	2015 3 rd Sp. Sess.	37 1	1209
			380	2018	3 101	1209
09/12/18	MVFT GO Bonds, Series 2019B	68,650,000	303	2003	147 (1)	1196
			303	2005	315 (1)	1196
09/12/18	GO Bonds, Series 2019T (Taxable)	30,085,000	380	2015 3 rd Sp. Sess.	37 1	1209
			380	2018	3 101	1209
02/20/19	VP GO Bonds, Series 2019C	343,000,000	380	2015 3 rd Sp. Sess.	37 1	1209
			380	2018	3 101	1209
02/20/19	MVFT GO Bonds, Series 2019D	126,350,000	303	1998	321 16	1217
			303	2003	147 (1)	1217
			303	2005	315 (1)	1217

Dated Date	Issue	Par Amount of Callable Bonds (\$)	Bond Fund	Laws/ Session	Chapter/ (Section)	Authorizing Resolution
09/25/19	VP GO Bonds, Series 2020A	389,675,000	380	2006	167 201	1222
			383	2008	179 202	1222
			380	2015 3 rd Sp. Sess.	37 1	1222
			380	2018	3 101	1222
			380	2018	3 201	1222
			380	2019	414 1	1222
09/25/19	MVFT GO Bonds, Series 2020B	165,450,000	303	2015 3 rd Sp. Sess.	45 1	1225
TOTAL		\$5,029,970,000				

Bond Fund Keys:

Fund	Title
380	Debt-limit General Fund Bond Retirement Account
383	Nondebt-limit Reimbursable Bond Retirement Account
303	Highway Bond Retirement Account
305	Transportation Improvement Board Bond Retirement Account

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. 1298 of such Committee, adopted at an open public meeting thereof held on this 8th day of July, 2025, 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 8, 2025.

Jason P. Richter, Secretary
State Finance Committee



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 6 -

SFC Resolution No. 1299

Approves and establishes a finance plan and maximum principal amount of financing contracts and certificates of participation of the State for the 2025-27 biennium.

Office of the State Treasurer

P.O. Box 40200 Olympia, Washington 98504-0200
(360) 902-9000 • TTY USERS: CALL 711 • FAX (360) 902-9037
www.tre.wa.gov



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter
Deputy State Treasurer

RE: **Proposed Resolution No. 1299** approves and establishes the maximum aggregate principal amount of financing contracts and certificates of participation of the state

Proposed Resolution No. 1299 approves and establishes the maximum aggregate principal amount of financing contracts and certificates of participation of the state to be outstanding in the 2025-27 Biennium at \$1,505,355,000. This total includes (as of July 8, 2025):

- \$816,095,000 in currently outstanding financing contracts (Certificates of Participation);
- \$381,260,000 in currently outstanding 63-20 financing contracts; and
- an estimated \$308,000,000 in new financing contracts to be entered into and certificates of participation and/or lease revenue bonds to be issued during the 2025-27 Biennium.

Of the financing contracts expected to be entered into over the 2025-27 Biennium, \$58,000,000 represents real estate financing contracts authorized by the Legislature for state agencies (shown in Exhibit 1), and \$250,000,000 represents the estimated state and local agency equipment and local agency real estate financing contracts for the Biennium.

Proposed Resolution No. 1299 also approves any refinancing contract (including issuance of refunding certificates of participation) to be entered into for the purpose of achieving interest cost savings in accordance with the Committee's Debt Issuance Policy savings threshold.

Counsel and Advisors

Assistance in preparing Proposed Resolution No. 1299 was provided by:

Bond Counsel: William Tonkin, Foster Garvey PC
Financial Advisor: Robert Shelley, Piper Sandler & Co

Office of the State Treasurer

Legislative Building, P.O. Box 40200 • Olympia, Washington 98504-0200 • (360) 902-9000
TTY USERS: CALL 711 • FAX (360) 902-9045 • Home Page <http://tre.wa.gov>



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

Exhibit 1

2025-27 Capital Budget

Agency	Authorization Section	Authorized Amount*
Western Washington University	8002(3)	\$ 3,000,000
Columbia Basin College	8002(4)a	18,000,000
Edmonds College	8002(4)b	9,000,000
Clover Park Tech	8002(4)c	15,000,000
Renton Tech	8002(4)d	8,000,000
South Puget Sound Community College	8002(4)e	5,000,000
Total Authorized Financing Contracts in the Capital Budget		\$ 58,000,000

* In each case, plus financing expenses, required reserves and capitalized interest.

Office of the State Treasurer

Legislative Building, P.O. Box 40200 • Olympia, Washington 98504-0200 • (360) 902-9000
TTY USERS: CALL 711 • FAX (360) 902-9045 • Home Page <http://tre.wa.gov>

EXECUTION VERSION

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1299

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON APPROVING AND ESTABLISHING A FINANCE PLAN AND MAXIMUM PRINCIPAL AMOUNT OF FINANCING CONTRACTS AND CERTIFICATES OF PARTICIPATION OF THE STATE FOR THE 2025-27 BIENNIUM.

ADOPTED: JULY 8, 2025

Table of Contents

Section 1.	Definitions.....	1
Section 2.	Approval of Finance Plan for State Financing Contracts and Certificates of Participation for the 2025-27 Biennium	1
Section 3.	Approval of Maximum Principal Amount of State Financing Contracts and Certificates of Participation for the 2025-27 Biennium.....	2
Section 4.	Filing of Resolution	3
Section 5.	Ratification.....	3
Section 6.	Effective Date	3
Exhibit 1 – Legislatively Authorized State Agency Financing Contracts		

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1299

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON APPROVING AND ESTABLISHING A FINANCE PLAN AND MAXIMUM PRINCIPAL AMOUNT OF FINANCING CONTRACTS AND CERTIFICATES OF PARTICIPATION OF THE STATE FOR THE 2025-27 BIENNIUM.

WHEREAS, the State Finance Committee (the “Committee”) of the State of Washington (the “State”) is charged with oversight of financing contracts entered into by the State (RCW 39.94.040); and

WHEREAS, from time to time the Office of the State Treasurer, as staff to the Committee, reports on prior usage of financing contracts and presents proposed finance plans for state financing contracts and the issuance of certificates of participation therein pursuant to Chapter 39.94 RCW; and

WHEREAS, the Committee is required from time to time to establish the maximum aggregate principal amount of state financing contracts to be outstanding under Chapter 39.94;

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

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this section 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:

2025-27 Biennium means the two-year period beginning July 1, 2025 through June 30, 2027.

Committee means the State Finance Committee of the State, or any successor thereof.

Laws means the statutes of the State.

Legislature means the Legislature of the State.

State means the State of Washington.

Section 2. Approval of Finance Plan for State Financing Contracts and Certificates of Participation for the 2025-27 Biennium. The Office of State Treasurer has proposed and the

Committee hereby approves a finance plan for State financing contracts and issuance by the State of certificates of participation therein for the 2025-27 Biennium having the following components:

(a) *Financing Contracts Authorized by the Legislature for State Agencies.* In Section 8002 of Chapter 414, Laws of 2025 (SSB 5195) (the 2025-27 State capital budget), the Legislature has authorized certain state agencies to enter into financing contracts for the acquisition of real property projects in a total principal amount of \$58,000,000, plus financing expenses, required reserves and capitalized interest, as summarized in Exhibit 1.

(b) *Financing Contracts for State and Local Agency Equipment and Local Agency Real Estate.* In addition to the \$58,000,000 of financing contracts authorized by the Legislature for the state agencies described in Section 2(a), it is expected that the State will enter into financing contracts for the acquisition of equipment for state and local agencies and for the acquisition of real property projects for local agencies during the 2025-27 Biennium in an estimated aggregate total principal amount of \$250,000,000, plus financing expenses, required reserves and capitalized interest.

(c) *Estimated Aggregate Total Financing Contracts to be Entered Into and Certificates of Participation to be Issued During 2025-27 Biennium.* As described in Section 2(a) and (b) above, the aggregate total principal amount of financing contracts expected to be entered into and certificates of participation therein expected to be issued during the 2025-27 Biennium is estimated to be not more than \$308,000,000, plus financing expenses, required reserves and capitalized interest.

(d) *Maximum Aggregate Total Outstanding Financing Contracts.* The estimated maximum aggregate total of financing contracts of the State expected to be outstanding in the 2025-27 Biennium is as follows:

Outstanding certificates of participation as of July 8, 2025	\$ 816,095,000
Outstanding 63-20 financing leases (Wheeler, Tumwater Office and Fircrest Projects)	381,260,000
Anticipated additional financing contracts (2025-27 Biennium)	308,000,000
Total	<u>\$1,505,355,000</u>

Section 3. Approval of Maximum Principal Amount of State Financing Contracts and Certificates of Participation for the 2025-27 Biennium. Pursuant to RCW 39.94.040:

(a) Based upon the finance plan for financing contracts and certificates of participation described in and approved by Section 2 of this resolution, the maximum aggregate total principal amount of financing contracts (including certificates of participation therein) of the State is approved and established at \$1,505,355,000, plus financing expenses, required reserves and capitalized interest; and

(b) Any refinancing contract (including issuance of refunding certificates of participation therein) to be entered into for the purpose of achieving interest cost savings in accordance with the Committee's Debt Issuance Policy's savings threshold is approved, irrespective of its stated principal amount or date of execution.

Section 4. Filing of Resolution. The Deputy State Treasurer is directed to file with the State Treasurer 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. Effective Date. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 8th day of July, 2025.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Bob Ferguson
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter,
Deputy State Treasurer and Secretary

EXHIBIT 1

LEGISLATIVELY AUTHORIZED STATE AGENCY FINANCING CONTRACTS

2025-27 Capital Budget, Chapter 414, Laws of 2025 (SSB 5195)

Agency	Authorization Section	Authorized Amount*
Western Washington University	8002(3)	\$3,000,000
State Board for Community and Technical Colleges on behalf of:		
Columbia Basin College	8002(4)(a)	18,000,000
Edmonds College	8002(4)(b)	9,000,000
Clover Park Technical College	8002(4)(c)	15,000,000
Renton Technical College	8002(4)(d)	8,000,000
South Puget Sound Community College	8002(4)(e)	5,000,000
Total Authorized Financing Contracts in the Capital Budget		\$58,000,000

* In each case, plus financing expenses, required reserves and capitalized interest.

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. 1299 of such Committee, adopted at an open public meeting thereof held on this 8th day of July, 2025, 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 8, 2025.

Jason P. Richter, Secretary
State Finance Committee



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 7 -

SFC Resolution No. 1300

Authorizes the issuance of bonds of the state for the purpose of providing funds to pay and reimburse state expenditures for eligible toll facilities identified in the bond act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of principal of and interest on the bonds; and authorizing and directing the sale of the bonds in one or more sales.

Office of the State Treasurer

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(360) 902-9000 • TTY USERS: CALL 711 • FAX (360) 902-9037
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State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter
Deputy State Treasurer

RE: **Proposed Resolution No. 1300** authorizes the issuance of bonds for eligible toll facilities

Resolution Purpose

During the 2019 regular legislative session, the Legislature authorized tolling on Interstate 405 and State Route 167 and authorized bonds to finance construction of corridor projects.

Proposed Resolution No. 1300 authorizes the issuance of bonds of the state for the purpose of providing funds to pay and reimburse state expenditures for eligible toll facilities identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of principal of and interest on the bonds; and authorizing and directing the sale of the bonds in one or more sales.

Resolution No. 1300 also authorizes the Deputy State Treasurer to establish the method of sale of the bonds and the State Treasurer to adopt bond sale resolutions.

Background

Chapter 421, Laws of 2019 (RCW 47.10.896-907 the "Bond Act"), authorizes the Committee to issue, at the request of WSDOT, \$1,160,000,000 of general obligation bonds of the state, to which the state's full faith and credit are pledged but are first payable from toll revenue and then from excise taxes on motor vehicle and special fuels to the extent toll revenue is not available for that purpose, to provide funds necessary for the location, design, right-of-way, and construction of the I-405 and SR 167 Corridor Program.

Toll Setting Framework

Pursuant to Chapter 122, Laws of 2008; Chapter 369, Laws of 2011; and Chapter 421, Laws of 2019, of the state ("Toll Facilities Act"), the Legislature authorized the State Transportation Commission to be the tolling authority

for the state (the "Tolling Authority") with the legal power to set, review and adjust toll rates on eligible toll facilities identified by the Legislature and on which the Legislature has authorized the imposition of tolls.

Pursuant to the Toll Facilities Act, the Legislature designated the portions of (a) Interstate 405 between Interstate 5 on the north end in the City of Lynnwood, and Interstate 5 on the south end in the City of Tukwila, and (b) State Route Number 167 between Interstate 405 on the north end and State Route Number 512 on the south end ("the "I-405 and SR 167 Corridor Program") as an eligible toll facility and has authorized the imposition of tolls for travel on express toll lanes on the corridor.

The Tolling Authority has set tolls on the operational sections of the I-405 express toll lanes and the SR 167 high occupancy toll lanes. The tolling authority is in the process of adjusting toll policies for the entire I-405 and SR 167 Corridor Program.

As provided in the Toll Facilities Act, when the Legislature has specifically identified and designated an eligible toll facility and authorized the issuance of bonds for the financing of the eligible toll facility payable from and secured by a pledge of toll revenue, the Legislature:

- agreed to continue to impose toll charges on the I-405 and SR 167 express toll lanes, and excise taxes on fuel and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of the Toll Facilities Act, and
- directed the State Finance Committee to pledge the state's obligation to impose and maintain tolls, together with the application of toll revenue as described in the Toll Facilities Act, to owners of those bonds.

Pledge by the State Finance Committee

Proposed Resolution No. 1300 pledges the state's obligation to impose and maintain tolls, together with the application of toll revenue to the owners of any bonds. Proposed Resolution No. 1300 establishes protective covenants for the benefit of owners of bonds and provides the financial framework required for the payment of and security for all bonds issued and sold under proposed Resolution No. 1300 as authorized in the Toll Facilities Act and the Bond Act.

Bond Issuance Plans

In the 2025-27 Transportation Budget, the Legislature appropriated \$375,311,000 of bond proceeds for the corridor. The first sale of triple pledge bonds for the system is anticipated to occur in 2026. All sales will occur in coordination with WSDOT and dependent on the spending needs of the corridor.

Counsel and Advisors

Assistance in preparing Proposed Resolution No. 1300 was provided by:

Bond Counsel: William Tonkin, Foster Garvey PC
Allison Schwartzman, Foster Garvey PC

Municipal Advisor: Thomas Toepfer, PFM Financial Advisors LLC
Peter Shellenberger, PFM Financial Advisors LLC
Matthew Schoenfeld, PFM Financial Advisors LLC

EXECUTION VERSION

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1300

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF BONDS OF THE STATE FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR ELIGIBLE TOLL FACILITIES IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS; AND AUTHORIZING AND DIRECTING THE SALE OF THE BONDS IN ONE OR MORE SALES.

ADOPTED: July 8, 2025

TABLE OF CONTENTS

Article I DEFINITIONS AND RULES OF CONSTRUCTION.....	2
Section 1.01 Definitions	2
Section 1.02 Rules of Construction.....	17
Section 1.03 Contents of Certificates and Opinions.....	18
Section 1.04 Assumptions in Calculations of Toll Revenue and Operating and Maintenance Expenses.....	18
Article II AUTHORIZATION AND PURPOSE OF THE BONDS.....	19
Section 2.01 Authorization of Bonds	19
Section 2.02 Terms	19
Section 2.03 Place, Manner and Medium of Payment.....	19
Section 2.04 Form and Execution of Bonds	20
Section 2.05 Authentication and Delivery of Bonds by Bond Registrar	20
Section 2.06 Bond Registrar; Registration of Bonds	20
Section 2.07 Provisions with Respect to Transfer of Ownership or Exchange; Change in Denominations	22
Section 2.08 Mutilated, Lost, Stolen or Destroyed Bonds	23
Section 2.09 Requirements for Issuance of Bonds	23
Section 2.10 No Pledge Superior to First Tier Bonds; Subordinate Obligations; Pledge of Revenues of Toll Facilities Not Part of System	29
Article III REDEMPTION OF BONDS	29
Section 3.01 Optional and Mandatory Redemption	29
Section 3.02 Partial Redemption	29
Section 3.03 Purchase	29
Section 3.04 Selection of Bonds for Redemption.....	29
Section 3.05 Effect of Optional Redemption/Purchase on Term Bonds	30
Section 3.06 Notice of Redemption	30
Section 3.07 Effect of Redemption.....	30
Section 3.08 Cancellation of Bonds.....	31
Article IV SECURITY AND PLEDGE POSITION	31
Section 4.01 Parity as to Toll Revenue; Bonds Within a Tier and Series Equally and Ratably Secured	31
Section 4.02 Pledge of Toll Revenue and Obligation to Impose Tolls	32
Section 4.03 Triple Pledge Bonds	32
Article V THE SYSTEM	33
Section 5.01 The System	33

Section 5.02 Addition of Eligible Toll Facilities to the System	33
Section 5.03 Replacement Master Resolution; New System	37
Section 5.04 Notice to Bondholders	40
Article VI REVENUES AND ACCOUNTS; FLOW OF FUNDS	41
Section 6.01 Creation of Accounts.....	41
Section 6.02 Toll Facilities Account – Deposit and Application of Toll Revenue.....	42
Section 6.03 Revenue Stabilization Subaccount of Toll Facilities Account	42
Section 6.04 Repair and Replacement Reserve Subaccount of Toll Facilities Account	42
Section 6.05 Bond Proceeds Subaccount of Toll Facilities Account.....	43
Section 6.06 Deferred Sales Tax Subaccount of Toll Facilities Account.....	43
Section 6.07 First Tier Subaccounts	43
Section 6.08 Second Tier Subaccounts	45
Section 6.09 Third Tier Subaccounts	48
Section 6.10 Fourth Tier Subaccounts	50
Section 6.11 Flow of Funds.....	52
Section 6.12 Payment Procedures.....	55
Section 6.13 Investment of Funds	56
Article VII BOND COVENANTS	56
Section 7.01 Establishment and Collection of Tolls	56
Section 7.02 Rate Covenant.....	58
Section 7.03 Operating and Capital Budgets for the System	60
Section 7.04 Operation and Maintenance of the System	60
Section 7.05 Construction and Completion of I-405 and SR 167 Corridor Program and Other Projects.....	60
Section 7.06 Engagement of Consultants	61
Section 7.07 Insurance	61
Section 7.08 Damage or Destruction	61
Section 7.09 Financial Records and Statements.....	61
Section 7.10 Sale, Lease or Other Disposition of Property Comprising Eligible Toll Facilities	62
Section 7.11 Tax Covenants	63
Article VIII AMENDATORY AND SUPPLEMENTAL RESOLUTIONS	64
Section 8.01 General	64
Section 8.02 Amendments Without Consent of Holders	64
Section 8.03 Amendments With Consent of Holders.....	65
Section 8.04 Opinion Required	67
Section 8.05 Notice of Amendment.....	67

Article IX DEFAULTS AND REMEDIES	67
Section 9.01 Events of Default.....	67
Section 9.02 Bond Owners' Trustee	68
Section 9.03 Suits at Law or in Equity	68
Section 9.04 Application of Money Collected by Bond Owners' Trustee.....	69
Section 9.05 Duties and Obligations of Bond Owners' Trustee.....	71
Section 9.06 Suits by Individual Bond Holders Restricted	72
Section 9.07 TIFIA Bond Default Remedy	72
Section 9.08 Failure to Comply With Undertaking	73
Article X REFUNDING OR DEFEASANCE OF BONDS	73
Article XI SALE OF THE BONDS	74
Section 11.01 Methods of Sale of Bonds.....	74
Section 11.02 Adoption of Bond Sale Resolutions.....	74
Section 11.03 Elections to Treat Bonds as Tax-Advantaged Bonds	74
Article XII PRELIMINARY OFFICIAL STATEMENT UNDER THE RULE	75
Article XIII DELIVERY OF BONDS.....	75
Article XIV CONTINUING DISCLOSURE	75
Article XV MISCELLANEOUS.....	75
Section 15.01 Contract; Severability	75
Section 15.02 Filing of Resolution.....	75
Section 15.03 Ratification	76
Section 15.04 Immediate Effect	76

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION NO. 1300

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON PROVIDING FOR THE ISSUANCE OF BONDS OF THE STATE FOR THE PURPOSE OF PROVIDING FUNDS TO PAY AND REIMBURSE STATE EXPENDITURES FOR ELIGIBLE TOLL FACILITIES IDENTIFIED IN THE BOND ACT; PROVIDING FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR CERTAIN OTHER PROVISIONS SAFEGUARDING THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS; AND AUTHORIZING AND DIRECTING THE SALE OF THE BONDS IN ONE OR MORE SALES.

WHEREAS, the Legislature of the State of Washington (the “State”), pursuant to Chapter 122, Laws of 2008; Chapter 369, Laws of 2011; and Chapter 421, Laws of 2019, of the State (hereinafter further defined as the “Toll Facilities Act”), has delegated to the State Transportation Commission, the tolling authority for the State (the “Tolling Authority”), the legal power to set, review and adjust toll rates on eligible toll facilities identified by the Legislature and on which the Legislature has authorized the imposition of tolls; and

WHEREAS, pursuant to the Toll Facilities Act, the Legislature designated Interstate 405 and State Route 167 as an eligible toll facility (the “I-405 and SR 167 Toll Facility”) and authorized the imposition of tolls for express toll lanes on that portion of Interstate 405 between Interstate 5 on the north end in the City of Lynnwood, and Interstate 5 on the south end in the City of Tukwila, together with that portion of State Route Number 167 between Interstate 405 on the north end and State Route Number 512 on the south end (together with associated equipment and infrastructure directly related to the operation of such toll lanes, the “I-405 and SR 167 Toll Lanes”); and

WHEREAS, pursuant to the Toll Facilities Act, the Legislature agreed, for the benefit of the owners of outstanding bonds issued by the State for eligible toll facilities, to continue in effect and not to impair or withdraw the authorization of the Tolling Authority to fix and adjust tolls as provided in the Toll Facilities Act, and directed the State Finance Committee (the “Committee”) to pledge the State’s obligation to impose and maintain tolls, together with the application of that toll revenue as described in the Toll Facilities Act, to owners of those bonds; and

WHEREAS, the Tolling Authority has set tolls for the I-405 and SR 167 Toll Lanes as authorized by the Legislature; and

WHEREAS, pursuant to the Toll Facilities Act, toll revenue generated in the I-405 and SR 167 Toll Facility, including the I-405 and SR 167 Toll Lanes, must only be expended on the

Interstate 405 and State Route Number 167 projects as identified in the applicable master plan (the “I-405 and SR 167 Corridor Program”); and

WHEREAS, pursuant to Chapter 421, Laws of 2019 of the State (hereinafter further defined as the “Bond Act”), the Legislature has authorized the issuance by the Committee of general obligation bonds of the State first payable from toll revenue and excise taxes on fuel and vehicle-related fees, to provide funds necessary for the location, design, right-of-way, and construction of the I-405 and SR 167 Corridor Program; and

WHEREAS, the Committee is authorized by Chapter 39.42 RCW to provide for the issuance and sale of the Bonds; and

WHEREAS, by the adoption of this Master Resolution, the Committee intends to establish protective covenants for the benefit of owners of Bonds and to provide the financial framework required for the payment of and security for all Bonds issued and sold under this Master Resolution as authorized in the Toll Facilities Act and the Bond Act;

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

Article I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Definitions

Unless the context otherwise clearly requires, the terms defined in this section shall, for all purposes of this Master Resolution and of any resolution supplemental hereto, have the meanings specified:

“Accounting Principles” means generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, as the same shall be amended from time to time.

“Accreted Value” means (1) with respect to any Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Bond Sale Resolution as the amount representing the initial principal amount of those Capital Appreciation Bonds or Convertible Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to any Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of those Original Issue Discount Bonds plus the amount of the discounted principal which has accreted since the date of issue. In each case, the Accreted Value shall be determined in accordance with the provisions of the Bond Sale Resolution authorizing the issuance of the applicable Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or Original Issue Discount Bonds.

“Additional Eligible Toll Facilities” means any Eligible Toll Facilities other than the I-405 and SR 167 Toll Facility that the Legislature authorizes to be added to, grouped with, or otherwise constituted as a part of the System in accordance with this Master Resolution.

“Annual Debt Service” means for any Fiscal Year the sum (without duplication) of the aggregate amount of principal and interest scheduled to become due and payable in that Fiscal Year on all Bonds then Outstanding (by scheduled maturity, mandatory redemption or otherwise), less any amounts of that principal or interest to be paid during that Fiscal Year from (1) the proceeds of Bonds, or (2) money or Government Obligations (as defined in Article X) set aside in a special fund and pledged irrevocably for the purpose of paying that principal or interest pursuant to Article X; provided that if a Hedge Facility has been entered into with respect to any Bond, interest on that Bond shall be included in the calculation of Annual Debt Service by including for each Fiscal Year an amount equal to the amount of interest payable on those Bonds at the rate or rates stated in that Bond, plus any Hedge Payments payable by the State in such Fiscal Year, minus any Hedge Receipts receivable by the State in that Fiscal Year (provided that in no event shall the calculation made pursuant to this clause result in a number less than zero being included in the calculation of Annual Debt Service); and further provided that for the purposes of calculating Annual Debt Service:

(a) In determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds in accordance with any amortization schedule or amortization calculations established by the Bond Sale Resolution setting forth the terms of those Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in that year; and in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent any other subsection of this definition applies) be assumed to be made at that fixed rate and on the required funding dates.

(b) If interest on Bonds is payable pursuant to a variable interest rate (or if Hedge Payments or Hedge Receipts are determined pursuant to a variable rate formula), the interest rate on those Bonds (or the variable rate formula for those Hedge Payments or Hedge Receipts) for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to (1) if those Bonds (or Hedge Facility) were Outstanding during the 12 calendar months immediately preceding the date of calculation, an average of the interest rates per annum which were in effect, and (2) if those Bonds (or Hedge Facility) were not Outstanding during the 12 calendar months immediately preceding the date of calculation, (A) with respect to Tax-Exempt Bonds, an average of the SIFMA Index during the 12 calendar months immediately preceding the date of calculation, (B) with respect to Bonds that are not Tax-Exempt Bonds, an average of an index identified by the Treasurer Representative as being comparable to SIFMA for Bonds that are not Tax-Exempt Bonds during the 12 calendar months immediately preceding the date of calculation, (C) with respect to a Hedge Facility with an index-based rate formula, the rate produced by applying that rate formula to an average of such index during the 12 calendar months immediately preceding the date of calculation, or (D) with respect to a Hedge Facility that does not have an index-based rate, the rate described in (A) above if the related Bonds are Tax-Exempt Bonds or in (B) above if the related Bonds are not Tax-Exempt Bonds, all as specified in either, at the election of the State, a certificate of the Treasurer Representative or a written statement from an investment banking or financial advisory firm.

(c) With respect to any Assumed Amortization Maturity, at the option of the State, that Assumed Amortization Maturity may be treated as if it were to be amortized with substantially level debt service over a period of 30 years from the date of incurrence of that Assumed Amortization Maturity at an interest rate equal to a fixed rate equal to the Revenue Bond Index most recently published in *The Bond Buyer* (or, if that index is no longer published, another similar index designated by the Treasurer Representative).

(d) In any computation relating to the issuance of Bonds required by Section 2.09 and any computation required by Section 5.02, Section 7.02 or Section 7.10, there shall be excluded from the computation of Annual Debt Service principal of and interest on Bonds for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make those payments, including without limitation (1) any such funds in an escrow account, (2) any such funds constituting capitalized interest held in any account created by this Master Resolution or (3) any Federal Credit Payments.

“Assumed Amortization Maturities” means Bonds of any Tier which are specifically designated by a Bond Sale Resolution as an “Assumed Amortization Maturity.”

“Authorized Denomination” means, unless specified otherwise in the applicable Bond Sale Resolution, \$5,000 or any integral multiple thereof.

“Bankruptcy Related Event” means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the State or any of its debts, or of a substantial part of the assets of the State, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the State or for a substantial part of the assets of the State, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the State shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator, or similar official for the State or for a substantial part of the assets of the State, or (ii) generally not be paying its debts as they become due, unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing.

“Beneficial Owner” means the owner of any beneficial interests in the Bonds.

“Biennium” means the fiscal period beginning on July 1 of an odd-numbered year and ending on June 30 of the next following odd-numbered year.

“Bond” or **“Bonds”** means any bonds or any other evidences of the obligation to repay borrowed money, Hedge Payments or other obligations issued or incurred by the State from time to time pursuant to Article II of this Master Resolution and the terms of the Bond Sale Resolutions. The term **“Bond”** or **“Bonds”** includes, without limitation, notes, bond anticipation notes, commercial paper, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements, including any Reimbursement Agreements, or certificates of participation therein, in each case to the extent secured by this Master Resolution. The terms **“Bond”** and **“Bonds”** includes First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds and may, if provided in a Bond Sale Resolution, include Credit Provider Bonds.

“Bond Act” means Chapter 421, Laws of 2019 of the State, as codified in RCW 47.10.896-.907, and as these statutes may be amended or supplemented by additional legislation enacted by the Legislature to authorize the issuance and sale of Bonds under this Master Resolution to provide additional financing for the I-405 and SR 167 Corridor Program and/or to finance Additional Eligible Toll Facilities.

“Bond Counsel” means an attorney or firm or firms of attorneys of national recognition, selected or employed by the State, experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Interest Payment Date” means, with respect to each Series of Bonds, each date set forth in the applicable Bond Sale Resolution with respect to that Series of Bonds on which interest is payable.

“Bond Owners’ Trustee” has the meaning assigned to such term in Section 9.02.

“Bond Payment Date” means any Bond Interest Payment Date or Bond Principal Payment Date.

“Bond Principal Payment Date” means, with respect to each Series of Bonds, each date set forth in the applicable Bond Sale Resolution with respect to that Series of Bonds on which principal is payable by reason of mandatory sinking fund redemption or maturity.

“Bond Purchase Contract” means the contract of purchase, with respect to a Series of Bonds, between the State and the Original Purchaser pertaining to the sale of that Series of Bonds.

“Bond Proceeds Subaccount” means the subaccount of that name created hereby in the Toll Facilities Account.

“Bond Register” means the registration books of the Bond Registrar on which are maintained the names and addresses of the Registered Owners of the Bonds.

“Bond Registrar” means the Fiscal Agent.

“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 Section 11.02, that establishes, among other items, the Tier position, applicable Debt Service Reserve Requirement, if any, aggregate principal amount, principal amounts per maturity, maturity dates,

interest rates or interest rate determination methods, redemption provisions, tender provisions and other terms of a Series of the Bonds, and specifies the Debt Service Reserve Subaccount and Toll Facility Bond Retirement Account subaccount(s) for that Series of Bonds, as that resolution may be amended or supplemented from time to time. Wherever in this Master 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 includes, without limitation, adoption of a Bond Sale Resolution by the State Treasurer on behalf of the Committee as provided in this Master Resolution and shall authorize the establishment of matters relating to the sale of the Bonds by the State Treasurer pursuant to a Bond Sale Resolution adopted by the State Treasurer.

“Business Day” means, unless specified otherwise in the applicable Bond Sale Resolution, any day of the week other than Saturday, Sunday or a day on which commercial banks located in the State or in the jurisdiction in which the principal office of the Bond Registrar is located are required or authorized to remain closed or on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” means any Series of Bonds all the interest on which is compounded and accumulated at the rates and on the dates set forth in a Bond Sale Resolution and is payable only upon redemption or on the maturity date of those Bonds.

“Code” means the Internal Revenue Code of 1986, as in effect on the date hereof or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issue of any Series of Bonds, or any successor federal income tax statute or code.

“Committee” means the State Finance Committee of the State, or any successor thereof.

“Completion Bonds” means any Bonds of any Tier issued for the purpose of financing the completion of the acquisition, construction, renovation, rehabilitation or equipping of any Project for which Bonds have previously been issued in accordance with the provisions of this Master Resolution, to the extent necessary to provide a completed and fully equipped Project (which may include, but shall not be limited to, capitalized interest, required reserves, and/or costs of issuing those Completion Bonds) of the type and scope contemplated at the time those Bonds were issued, and in accordance with the general plans and specifications for that Project as originally prepared and approved in connection with the related financing, modified or amended only in conformance with the documents pursuant to which the related financing was undertaken.

“Consulting Engineer” means an independent engineer or engineering firm, or an affiliate thereof, nationally recognized as being experienced with determining the costs of construction, operation, maintenance, repair, and/or replacement of facilities similar to the System.

“Convertible Capital Appreciation Bonds” means Bonds which initially are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically. Convertible Capital Appreciation Bonds shall be Capital Appreciation Bonds until the conversion date and from and after that conversion date shall no longer be Capital Appreciation Bonds but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

“Cost” means all costs and expenses paid or incurred or to be paid or incurred (including the reimbursement of the State for any costs and expenses originally paid or incurred by the State) in connection with any Project, including, without limitation:

(a) planning, designing, permitting, engineering, acquiring, installing, constructing, modifying, reconstructing and repairing the I-405 and SR 167 Corridor Program, property or interests in property related to the I-405 and SR 167 Corridor Program and improvements to the I-405 and SR 167 Corridor Program, including, but not limited to, amounts paid to other persons in consideration for the transfer to the State of right-of-way and other property or interests in property included in the I-405 and SR 167 Corridor Program;

(b) planning, designing, permitting, engineering, acquiring, installing, constructing, modifying, reconstructing and repairing any other Project, including, but not limited to, amounts paid to other persons in consideration for the transfer to the State or others of right-of-way and other property and interests in property included in the Project;

(c) financing costs of the I-405 and SR 167 Corridor Program and any other Project, including, but not limited to, costs and expenses that the State deems necessary or advantageous in connection with the sale and administration of the Bonds, this Master Resolution and any Bond Sale Resolution, including, but not limited to, costs and expenses relating to the engagement of consultants, financial advisors, underwriters, credit and/or liquidity support providers, rating agencies, attorneys, trustees, paying agents, registrars, and other agents in connection with the issuance of the Bonds, this Master Resolution and any Bond Sale Resolution;

(d) payment of interest on the Bonds;

(e) costs and expenses relating to any Credit Facility entered into in accordance with this Master Resolution, including the reimbursement of any Credit Provider as described herein;

(f) costs and expenses relating to any Hedge Facility entered into in accordance with this Master Resolution; and

(g) other amounts that the State determines are required to carry out the I-405 and SR 167 Corridor Program and any other Projects that are authorized by the Toll Facilities Act.

“Credit Facility” or **“Credit Facilities”** means, with respect to a Series of Bonds, a letter of credit, line of credit, municipal bond insurance, surety policy, standby bond purchase agreement or other form of credit enhancement and/or liquidity support, which may include self-liquidity provided by the State, if any, for that Series of Bonds, if and as provided for in the applicable Bond Sale Resolution, including any alternate Credit Facility with respect to that Series of Bonds delivered in accordance with provisions of the Bond Sale Resolution providing for the issuance of that Series of Bonds.

“Credit Provider” means, with respect to a Series of Bonds, the provider of a Credit Facility, which may be the State.

“Credit Provider Bonds” means any Bonds purchased with funds provided under a Credit Facility for so long as those Bonds are held by or for the account of, or are pledged to, the applicable Credit Provider in accordance with the applicable Bond Sale Resolution.

“Debt Service Reserve Requirement” or “Debt Service Reserve Requirements” means the amount or amounts, if any, required to be on deposit in the First Tier Common Debt Service Reserve Subaccount, the Second Tier Common Debt Service Reserve Subaccount, the Third Tier Common Debt Service Reserve Subaccount, the Fourth Tier Common Debt Service Reserve Subaccount, or any Series Debt Service Reserve Subaccount, as applicable, specified in the Bond Sale Resolutions governing the issuance of and securing the related Series of Bonds.

“Debt Service Reserve Subaccounts” means the First Tier Common Debt Service Reserve Subaccount, the Second Tier Common Debt Service Reserve Subaccount, the Third Tier Common Debt Service Reserve Subaccount and the Fourth Tier Common Debt Service Reserve Subaccount, and any Series Debt Service Reserve Subaccounts.

“Debt Service Subaccounts” means the First Tier Debt Service Subaccount, the Second Tier Debt Service Subaccount, the Third Tier Debt Service Subaccount and the Fourth Tier Debt Service Subaccount.

“Deferred Sales Tax Obligation” means the obligation of WSDOT to pay state and local sales and use taxes imposed on a Project for which the State Department of Revenue has granted a deferral certificate pursuant to RCW 47.56.878 in respect of the I-405 and SR 167 Corridor Program and as provided in applicable law in respect of other Projects.

“Deferred Sales Tax Subaccount” means the subaccount of that name created hereby in the Toll Facilities Account.

“Deputy State Treasurer” means the Deputy State Treasurer for Debt Management and Secretary of the Committee, or any other officer of an office that succeeds to substantially all of the relevant functions of the Deputy State Treasurer for Debt Management.

“DTC” means The Depository Trust Company, New York, New York, or such other custodian engaged by the State to operate a book-entry system for recording, through electronic or manual means, the beneficial ownership of any Bonds, in which system no physical certificates are issued to the Beneficial Owners, but in which a limited number of physical certificates are issued to and registered in the name of the custodian or its nominee, and delivered to the custodian.

“Eligible Toll Facilities” means any portion or portions of the state highway system and related facilities that the Legislature has specifically identified as an eligible toll facility, including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, interconnections between highways, and other facilities that provide for the operations of conveyances of people or goods.

“Emergency Repair Bonds” means any Bonds of any Tier issued for the purpose of financing Costs of repairs to any portion of the System if the WSDOT Representative has determined that an emergency exists or is threatened which makes those repairs necessary to restore that portion of the System to a safe operating condition following damage to that portion as a result of fire, flood, earthquake, other disaster, or otherwise.

“Event of Default” means any one or more of those events set forth in Section 9.01.

“Federal Credit Payments” means amounts which the State is entitled to receive as a subsidy or tax credit payable by the United States Treasury to the State in respect of interest on any Bonds issued as Tax-Advantaged Bonds.

“First Tier Bonds” means Bonds payable from and secured by the First Tier Debt Service Subaccount.

“First Tier Common Debt Service Reserve Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account.

“First Tier Debt Service Reserve Subaccounts” means the First Tier Common Debt Service Reserve Subaccount and any Series Debt Service Reserve Subaccount securing the payment of First Tier Bonds.

“First Tier Debt Service Subaccount” means the subaccount of that name created in the Toll Facility Bond Retirement Account.

“Fiscal Agent” means the fiscal agency or fiscal agencies of the State as appointed from time to time by the Committee pursuant to chapter 43.80 RCW.

“Fiscal Year” means the fiscal year of the State, currently the period commencing on the first day of July and ending on the last day of June of the following calendar year.

“Fitch” means Fitch Ratings, Inc., and its successors, if any, and if that corporation shall no longer perform the functions of a securities rating agency, ***“Fitch”*** means any other nationally recognized securities rating agency (other than Kroll, Moody’s and S&P) designated by the Treasurer Representative.

“Force Majeure Event” means any of the following in each case that materially restricts the generation of Toll Revenue and/or the operation of the System facilities as intended: acts of God; industrial disturbances; acts of public enemies; acts or orders of any kind of the government of the United States of America, or of any state or locality thereof or any of their departments, agencies, or officials, or any civil or military authority; terrorist acts; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraining of government and people; civil disturbances; explosions; nuclear accidents; wars; breakage or accidents to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause not reasonably within the control of the State, as applicable.

“Fourth Tier Bonds” means Bonds payable from and secured by the Fourth Tier Debt Service Subaccount and subordinate to the First Tier Bonds, the Second Tier Bonds and the Third Tier Bonds with respect to Toll Revenue.

“Fourth Tier Common Debt Service Reserve Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account.

“Fourth Tier Debt Service Reserve Subaccounts” means the Fourth Tier Common Debt Service Reserve Subaccount and any Series Debt Service Reserve Subaccount securing the payment of Fourth Tier Bonds.

“Fourth Tier Debt Service Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account.

“Hedge Facility” means any payment agreement entered into by the State pursuant to the provisions of Chapter 39.96 RCW to effect any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (1) is designated as a Hedge Facility to relate to all or part of one or more Series of Bonds; and (2) has a term not greater than the term of the designated Bonds or a specified date for mandatory tender or redemption of the designated Bonds.

“Hedge Payments” means the regularly scheduled payments to be paid to a counterparty by the State under the terms of a Hedge Facility absent any termination, default or dispute in connection with that Hedge Facility.

“Hedge Receipts” means regularly scheduled payments required to be paid to the State by a counterparty under the terms of a Hedge Facility absent any termination, default or dispute in connection with that Hedge Facility.

“Hedge Termination Payment” means any payment required to be paid to a counterparty by the State under the terms of a Hedge Facility, in connection with the termination thereof, tax gross-up payments, expenses, default interest, and any other payments or indemnification obligations to be paid to a counterparty by the State under a Hedge Facility, which payments are not Hedge Payments.

“Holder” or ***“Bondholder”*** means the Registered Owner of any Bond; provided that a Bond Sale Resolution may provide that other persons may be deemed to be the holder or holders of all or a portion of the Series of Bonds authorized thereby, including but not limited to the providers of credit support for those Bonds. A counterparty to a Hedge Facility shall only be considered a Bondholder to the extent specified in a Bond Sale Resolution.

“I-405 and SR 167 Corridor Program” means the Interstate 405 and State Route Number 167 projects as identified in the applicable master plan(s) and described in the Toll Facilities Act.

“I-405 and SR 167 Toll Lanes” means the express toll lanes, together with the associated equipment and infrastructure directly related to the operation of such toll lanes, established and to be established within portions of (a) Interstate 405 between Interstate 5 on the north end in the City

of Lynnwood, and Interstate 5 on the south end in the City of Tukwila, and (b) State Route Number 167 between Interstate 405 on the north end and State Route Number 512 on the south end.

“I-405 and SR 167 Toll Facility” means Interstate 405 and State Route Number 167, designated by the Legislature as an eligible toll facility pursuant to the Toll Facilities Act.

“Insolvency Laws” means the United States Bankruptcy Code, 11 U.S.C. §101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect in the State.

“Kroll” means Kroll Bond Rating Agency, Inc., and its successors, if any, and if that corporation shall no longer perform the functions of a securities rating agency, ***“Kroll”*** means any other nationally recognized securities rating agency (other than Fitch, Moody’s and S&P) designated by the Treasurer Representative.

“Legislature” means the Legislature of the State.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the State to DTC, as it may be amended from time to time.

“Master Resolution” means this Master Resolution, as amended or supplemented from time to time in accordance with Article VIII.

“Maximum Annual Debt Service” means the maximum Annual Debt Service with respect to any Bonds for any Fiscal Year during the term of those Bonds.

“Moody’s” means Moody’s Investors Service, Inc., and its successors, if any, and if that corporation shall no longer perform the functions of a securities rating agency, ***“Moody’s”*** means any other nationally recognized securities rating agency (other than Fitch, Kroll and S&P) designated by the Treasurer Representative.

“Motor Vehicle Fuel Taxes” means the state excise taxes on motor vehicle and special fuels imposed by Chapter 82.38 RCW.

“Motor Vehicle Fund” means the Motor Vehicle Fund of the State created in the State Treasury pursuant to RCW 46.68.070.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Revenues” means Toll Revenue less Operating and Maintenance Expenses.

“New System” shall have the meaning assigned to such term in Section 5.03.

“Operating and Maintenance Expenses” means the reasonable and necessary operating and maintenance expenses of the System, including, without limitation, (1) facility maintenance and operation expenses (including, without limitation, expenses of paving and patching repair; maintaining drainage systems, culverts and slopes; roadside and landscape maintenance; weed control; movable and floating bridge operations; snow and ice control; safety rest area operations;

disaster maintenance including road closures, detours and emergency repair not involving major construction; maintenance of pavement striping and markings, guardrails, highway lighting systems, and traffic signs, (2) the reasonable and necessary operating and maintenance expenses of the Toll system, including expenses of Toll collection and enforcement, administrative and technical functions required for processing Toll transactions and collecting Tolls from customers (including, but not limited to management and administration; accounting and finance, including credit card and banking fees; insurance premiums and payments to fund self-insurance programs; marketing; fees and expenses of the Traffic Consultant and Consulting Engineer; and legal fees and expenses), and (3) the fees and expenses of the Bond Registrar and Bond Owners' Trustee, if any. Operating and Maintenance Expenses shall *not* include Repair and Replacement Expenses; any allowance for depreciation; any costs for the payment of which the Legislature has appropriated or otherwise committed funds other than Toll Revenue to the extent of the availability of such other funds; any costs for the payment of which the Legislature in the Toll Facilities Act has agreed for the benefit of owners of Bonds to appropriate funds other than Toll Revenue and has authorized the Committee to pledge that obligation to Bondholders; or operating and maintenance expenses of conveyances of people and goods.

“Original Issue Discount Bonds” means Bonds that are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds by the Bond Sale Resolution under which those Bonds are issued.

“Original Purchaser” means the person or entity designated in each Bond Sale Resolution as the initial purchaser or purchasers of a Series of Bonds or, if so designated in a Bond Purchase Contract, the representatives or lead or managing underwriters of those initial purchasers.

“Outstanding” when used with reference to Bonds means, as of any date of determination, all Bonds that have been authenticated and delivered except: (1) Bonds that have been canceled by the Bond Registrar or delivered to the Bond Registrar for cancellation; (2) Bonds which are deemed paid and no longer Outstanding as provided in this Master Resolution; (3) Bonds in lieu of which other Bonds have been issued pursuant to the provisions of this Master Resolution relating to Bonds destroyed, stolen or lost; (4) after any tender date as may be provided for in the applicable Bond Sale Resolution, any Bond held by a Bondholder who has given a tender notice or was required to tender that Bond in accordance with the provisions of the applicable Bond Sale Resolution and which was not so tendered and for which sufficient funds for the payment of the purchase price of which have been deposited with the Bond Registrar, or any tender agent appointed under the applicable Bond Sale Resolution; and (5) for purposes of any consent or other action to be taken under this Master Resolution by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the State (unless all Bonds that would be “Outstanding” but for the provisions of this clause (5) are so held by or for the account of the State).

“Project” means any of the Eligible Toll Facilities financed or refinanced in whole or in part with the proceeds of Bonds, including without limitation the I-405 and SR 167 Corridor Program.

“Projected Toll Rate Sufficiency Analysis” means the estimates and projections to be provided to the Tolling Authority by WSDOT and the State Treasurer pursuant to Section 7.03(b) of this Master Resolution.

“Rate Covenant” means the covenant of the State to set and adjust Tolls to satisfy the requirements set forth in Section 7.02.

“Rating Agency” means Fitch, Kroll, Moody’s or S&P.

“RCW” means the Revised Code of Washington.

“Registered Owner” means the person named as the registered owner of a particular Bond in the Bond Register. For so long as the Bonds of a Series are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner of the Bonds of that Series.

“Reimbursement Agreement” means, with respect to a Series of Bonds, any agreement or agreements in each case between a Credit Provider or Credit Providers and the State under or pursuant to which a Credit Facility for that Series of Bonds is issued that sets forth the obligations of the State to the Credit Provider or Credit Providers and the obligations of the Credit Provider or Credit Providers to the State, and any agreement that replaces a Reimbursement Agreement.

“Remarketing Agent” means, with respect to a Series of Bonds, the placement or remarketing agent or agents, if any, at the time serving in that role under a Remarketing Agreement and designated by the Committee as the Remarketing Agent with respect to a Series of Bonds, and any successor thereto.

“Remarketing Agreement” means the remarketing agreement, if any, with respect to a Series of Bonds, between the State and the Remarketing Agent as from time to time amended and supplemented, or if that remarketing agreement shall be terminated, then any other agreement which may from time to time be entered into with any Remarketing Agent with respect to the remarketing or placement of that Series of Bonds.

“Repair and Replacement Expenses” means expenses of the System incurred in connection with unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, expenses for major items of equipment, major construction, capital upgrades and/or improvements (including without limitation, expenses of structural bridge repair; rehabilitation and replacement of: pavements; bridge surface; anchor cables; expansion joints; ramp meters; cable and data stations; CCTV; variable message signs; periodic camera and computer system upgrades or replacement; and the repair or replacement of other similar capital structures or equipment). Repair and Replacement Expenses shall not include any expenses for the payment of which the Legislature has appropriated or otherwise committed funds other than Toll Revenue, or which are reasonably expected to be paid or financed from funds other than Toll Revenue.

“Repair and Replacement Reserve Subaccount” means the subaccount of that name created hereby in the Toll Facilities Account.

“Replacement Master Resolution” shall have the meaning set forth in Section 5.03.

“Revenue Stabilization Subaccount” means the subaccount of that name created hereby in the Toll Facilities Account.

“Rule” means the SEC’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and its successors, if any, and if that corporation shall no longer perform the functions of a securities rating agency, ***“S&P”*** means any other nationally recognized securities rating agency (other than Fitch, Kroll and Moody’s) designated by the Treasurer Representative.

“SEC” means the United States Securities and Exchange Commission.

“Second Tier Bonds” means Bonds payable from and secured by the Second Tier Debt Service Subaccount and subordinate to the First Tier Bonds with respect to Toll Revenue.

“Second Tier Common Debt Service Reserve Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account.

“Second Tier Debt Service Reserve Subaccounts” means the Second Tier Common Debt Service Reserve Subaccount and any Series Debt Service Reserve Subaccount securing the payment of Second Tier Bonds.

“Second Tier Debt Service Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account to secure payment of Second Tier Bonds.

“Series Debt Service Reserve Subaccount” means any subaccount created by a Bond Sale Resolution governing the issuance of and securing the related Series of Bonds.

“Series of Bonds” or ***“Bonds of a Series”*** or ***“Series”*** means a series of Bonds issued pursuant to this Master Resolution and the terms of a Bond Sale Resolution.

“SIFMA Index” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, or if such index is no longer available ***“SIFMA Index”*** shall refer to a comparable index identified by the Treasurer Representative.

“State” means the State of Washington.

“State Treasurer” means the Treasurer of the State of Washington or any other officer of an office that succeeds to substantially all of the relevant functions of the Treasurer of the State of Washington.

“State Treasury” means the Treasury of the State.

“System Budget” means those components of the State’s transportation budget, both capital and operating, for any Biennium, including any supplemental transportation budget, both

capital and operating, for any Fiscal Year within a Biennium, pertaining to and making appropriations for the System.

“System of Eligible Toll Facilities” or ***“System”*** means the I-405 and SR 167 Toll Lanes, together with any Additional Eligible Toll Facilities.

“Tax-Advantaged Bonds” means any Bonds that are designated by the State as Bonds with respect to which the State is eligible to receive Federal Credit Payments or the holders of which are eligible to receive a federal tax credit under any federal subsidy or credit program available under the Code.

“Tax-Exempt Bonds” means any Bond the interest on which is excludable from gross income of the Beneficial Owner for purposes of federal income tax.

“Term Bonds” means all Bonds that are identified as term bonds in the Bond Sale Resolutions, the payment of which will be made from mandatory sinking fund deposits into the related Debt Service Subaccount.

“Third Tier Bonds” means Bonds payable from and secured by the Third Tier Debt Service Subaccount and subordinate to the First Tier Bonds and Second Tier Bonds with respect to Toll Revenue.

“Third Tier Common Debt Service Reserve Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account.

“Third Tier Debt Service Reserve Subaccounts” means the Third Tier Common Debt Service Reserve Subaccount and any Series Debt Service Reserve Subaccount securing the payment of Third Tier Bonds.

“Third Tier Debt Service Subaccount” means the subaccount of that name created hereby in the Toll Facility Bond Retirement Account to secure payment of Third Tier Bonds.

“Tier” means the level of security and pledge preference with respect to Toll Revenue applicable to a Series of Bonds as provided in a Bond Sale Resolution.

“TIFIA” means the Transportation Infrastructure Finance and Innovation Act of 1998, as amended, or any other legislation pursuant to which the United States provides loans or other forms of credit assistance similar to that available under TIFIA.

“TIFIA Bondholder” means the United States Department of Transportation, acting by and through the Federal Highway Administrator.

“TIFIA Bond” means any Bond that may be issued pursuant to a Bond Sale Resolution to evidence a TIFIA Loan to the State. Except as otherwise provided in Section 9.07, any TIFIA Bond must be a Fourth Tier Bond.

“TIFIA Loan” means the loan or credit support provided pursuant to the TIFIA Loan Agreement.

“TIFIA Loan Agreement” means a loan or other agreement that shall be entered into by and between the TIFIA Bondholder and the State in the event the State issues a TIFIA Bond.

“Toll Facility Bond Retirement Account” means the account of that name created in the State Treasury pursuant to RCW 47.10.905.

“Toll Facilities Account” means that account created in the Motor Vehicle Fund by the Toll Facilities Act, currently designated as the Interstate 405 and State Route Number 167 Express Toll Lanes Account, as that account may be renamed, redesignated or supplemented in accordance with the Toll Facilities Act.

“Toll Facilities Account Fund Balance” means, as of any calculation date, the balance of Toll Revenue and other amounts, if any, deposited and held in the Toll Facilities Account pursuant to RCW 47.56.884 that was derived from the operation of the I-405 and SR 167 Toll Lanes prior to the effective date of this Master Resolution plus the amount of Toll Revenue and other amounts, if any, received in the Toll Facilities Account after the effective date of this Master Resolution that is available for application to any proper purpose of the System pursuant to Section 6.11(o) of this Master Resolution.

“Toll Facilities Act” means Chapter 122, Laws of 2008; Chapter 369, Laws of 2011; and Chapter 421, Laws of 2019, of the State, as codified within Chapter 47.56 RCW, and as those statutes may be amended or supplemented by the Legislature.

“Toll Rate Schedule” means the schedule of Tolls approved by the Tolling Authority.

“Toll Revenue” means, for the purposes of this Master Resolution, all Tolls and all interest income derived from the investment of Toll receipts. The term ***“Toll Revenue”*** includes late charges, damages, liquidated or otherwise, collected under any agreement involving any portion of the System (other than damages that the WSDOT Representative determines shall be applied to Costs of any portion of the System), proceeds of business interruption insurance, and proceeds of the sale of surplus property acquired for any portion of the System, but does not include (1) Motor Vehicle Fuel Taxes or Vehicle-Related Fees, (2) programmatic grants by the Federal Highway Administration or other sources for the benefit of transportation facilities in the State, or (3) Federal Credit Payments. Toll Revenue for any Fiscal Year shall, to the extent permitted by Section 6.03, include amounts that the WSDOT Representative, in consultation with the Treasurer Representative, determines within 120 days after the end of any Fiscal Year shall be transferred in any Fiscal Year from the Revenue Stabilization Subaccount to the Toll Facilities Account in that Fiscal Year.

“Tolling Authority” means the governing body to which the Legislature has delegated the legal power to set, review and adjust toll rates on Eligible Toll Facilities that are part of the System.

“Tolls” means all toll receipts received by the State in respect of Eligible Toll Facilities that are part of the System.

“Traffic and Revenue Report” means a report of the Traffic Consultant setting forth the estimated Toll Revenue for the System or for any particular Eligible Toll Facilities comprising a portion of the System.

“Traffic Consultant” means any traffic and revenue consultant or firm of traffic and revenue consultants of national recognition with expertise and experience regarding the operation, management and financing of, and the collection of revenues from, toll roads, selected and employed by the State from time to time.

“Treasurer Representative” means the State Treasurer, the Assistant State Treasurer or the Deputy State Treasurer, 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 that contains the specimen signature of the designated person and is signed by the State Treasurer, the Assistant State Treasurer or the Deputy State Treasurer.

“Triple Pledge Bonds” means any Series of Bonds designated as such in the applicable Bond Sale Resolution, and to which the State has pledged Toll Revenue, Motor Vehicle Fuel Taxes, Vehicle-Related Fees, and the State’s full faith and credit to pay the principal thereof and premium, if any, and interest thereon.

“Undertaking” means the continuing disclosure undertaking described in Article XIV and more fully set forth in a Bond Sale Resolution.

“Vehicle-Related Fees” means vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes.

“WSDOT” means the Washington State Department of Transportation.

“WSDOT Representative” means the Secretary of WSDOT or designee of the Secretary.

Section 1.02 Rules of Construction

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Master Resolution:

Any reference herein to the Tolling Authority, WSDOT or the Committee, or any officer thereof, shall include any persons or entities succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

The use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to include all genders.

Words importing the singular number shall include the plural number and vice versa.

Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

All references herein to particular articles or sections are references to articles or sections of this Master Resolution.

The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Master Resolution nor shall they affect its meaning, construction or effect.

All references to terms such as herein, hereunder, hereto, etc. refer to this Master Resolution, as amended or supplemented.

All references herein to payment of Bonds are references to payment of principal of, purchase price of, if applicable, premium, if any, and interest on Bonds.

Section 1.03 Contents of Certificates and Opinions

Every certificate or opinion provided for in this Master Resolution may be based and given in reliance upon a certificate or opinion or representation given by counsel, a Consulting Engineer, a Traffic Consultant, a Treasurer Representative, or a WSDOT Representative, as applicable for the subject matter of the certificate or opinion or representation, unless such individual executing the certificate or opinion knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement is based is erroneous. The same Consulting Engineer, Traffic Consultant, Treasurer Representative or WSDOT Representative, as the case may be, need not provide all of the certificates required under any provision of this Master Resolution, but different Consulting Engineers, Traffic Consultants, Treasurer Representatives or WSDOT Representatives may provide certificates as to different matters.

Section 1.04 Assumptions in Calculations of Toll Revenue and Operating and Maintenance Expenses

(a) For purposes of historical calculations of Toll Revenue or Operating and Maintenance Expenses provided for in this Master Resolution during (A) the most recent Fiscal Year for which audited financial statements are available, or (B) any 12 consecutive month period in the immediately prior 18 months, as applicable to the relevant calculation, if any change in the Toll Rate Schedule was implemented during the relevant calculation period, it may be assumed that the change in the Toll Rate Schedule had been in effect for the entire calculation period.

(b) If Additional Eligible Toll Facilities are added to the System, for purposes of historical calculations of Toll Revenue or Operating and Maintenance Expenses provided for in this Master Resolution during (A) the most recent Fiscal Year for which audited financial statements are available, or (B) any 12 consecutive month period in the immediately prior 18 months, as applicable to the relevant calculation, it may be assumed that the Additional Eligible Toll Facilities had been part of the System during the applicable calculation period (taking into account revenue, if any, generated by and expenses of the Additional Eligible Toll Facilities prior to their addition to the System that would have been treated as “Toll Revenue” and “Operating and Maintenance Expenses,” respectively, under this Master Resolution.

(c) In calculating Toll Revenue generated by Additional Eligible Toll Facilities in accordance with (b) above, it may be assumed that any change in toll rates with respect to the Additional Eligible Toll Facilities during the relevant calculation period had been in effect for the entire calculation period.

Article II

AUTHORIZATION AND PURPOSE OF THE BONDS

Section 2.01 Authorization of Bonds

For the purpose of providing funds to finance or refinance Costs of the I-405 and SR 167 Corridor Program and any Additional Eligible Toll Facilities that are part of the System, the Committee hereby authorizes, on behalf of the State, the sale and issuance of the Bonds in the maximum principal amount authorized by the Bond Act in one or more sales and in one or more Series, all as provided in the Bond Act and Section 2.09 of this Master Resolution. The Bonds shall be named and bear an appropriate Series designation and be of a designated Tier, all as set forth in the applicable Bond Sale Resolution. The Committee reserves the right to authorize, pursuant to a resolution or resolutions separate from this Master Resolution, the sale and issuance of a portion or portions of the bonds authorized by the Bond Act as bonds that are not payable from or secured by the Toll Revenue that is pledged to pay and secure Bonds authorized to be sold and issued by this Master Resolution.

Section 2.02 Terms

Each Series of Bonds shall bear the terms provided herein and in the Bond Sale Resolution providing for the issuance thereof.

Section 2.03 Place, Manner and Medium of Payment

The principal of, premium, if any, and interest on a Series of Bonds shall be payable in lawful money of the United States of America and in the manner and at the place specified in the Bond Sale Resolution providing for the issuance of that Series of Bonds. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, or such other method as set forth in a Bond Sale Resolution.

If the Bonds of any Series are in fully immobilized form and held by DTC, payments of principal and interest on that Series shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

If the Bonds of any Series are not in fully immobilized form, interest on those Bonds shall be paid by check or draft mailed (or by wire transfer to a Registered Owner of those Bonds (if agreed to by the Committee)) to the Registered Owners of the Bonds of that Series at the addresses for those Registered Owners appearing on the Bond Register on the 15th day of the calendar month preceding the Bond Interest Payment Date, or such other record date as may be specified in the applicable Bond Sale Resolution. Principal and premium, if any, on any Bond shall be payable on or after the maturity date of that Bond or, if earlier, any applicable redemption date (which has not been voided or canceled as provided herein and provided notice of redemption has been duly given to the Registered Owner of that Bond) upon presentation and surrender of that Bond by the Registered Owner to the Bond Registrar at the designated corporate trust office or other location designated by Bond Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the State on that date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on that Bond until that Bond is paid in full.

Section 2.04 Form and Execution of Bonds

The Bonds shall be prepared in a form consistent with the provisions of this Master Resolution, the applicable Bond Sale Resolution and State law. The Bonds shall be executed on behalf of the State by the facsimile or manual signatures of the Governor and the State Treasurer. A facsimile of the official seal of the State shall be imprinted or otherwise reproduced on the Bonds, and the facsimile is adopted as the seal of the State for the Bonds. If any officer who shall have signed or whose facsimile signature appears on any Bond shall cease to be that officer before that Bond shall have been actually authenticated or issued, that Bond, nevertheless, may be authenticated and issued and, upon authentication and issue, shall be as binding upon the State as though that person had not ceased to be that officer. Any Bond may be executed on behalf of the State by an officer who, on the actual date of execution of the Bond, shall be the proper officer of the State, although on the date of the Bond that officer might not have held that office.

Section 2.05 Authentication and Delivery of Bonds by Bond Registrar

The Bond Registrar is authorized and directed, on behalf of the State, to authenticate and deliver the Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Master Resolution. Only those Bonds bearing a Certificate of Authentication in the following form, manually executed by an authorized representative of the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Master Resolution: "Certificate of Authentication. This Bond is one of the State of Washington [Name of Series], dated _____, 20__, described in the [Master Bond Resolution and Bond Sale Resolution]." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of the Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this Master Resolution.

Section 2.06 Bond Registrar; Registration of Bonds

(a) **Registration Covenant.** The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The State covenants that it will maintain or cause to be maintained a system of recording the ownership of each Outstanding Tax-Exempt Bond and Tax-Advantaged Bond that complies with the provisions of Section 149(a) of the Code.

(b) **Bond Registrar.** The Bond Registrar shall keep, or cause to be kept, the Bond Register at its principal corporate trust office, which shall be open to inspection by the State at all times during regular business hours. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the State, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this Master Resolution, to serve as the State's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this Master Resolution.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar 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.

(c) ***Registered Ownership.*** The State and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Article VIII and Article IX of this Master Resolution), and neither the State nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any Bond shall be made only as described in Section 2.03 of this Master Resolution, but the registration may be transferred as herein provided. All payments made as described in Section 2.03 shall be valid and shall satisfy and discharge the liability of the State upon the Bond to the extent of the amount or amounts so paid.

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

Neither the State nor the Bond Registrar 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 each Series of Bonds 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 Series of Bonds, any notice which is permitted or required to be given to Registered Owners under this Master Resolution or a Bond Sale Resolution (except notices as shall be required to be given by the State to the Bond Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner). For so long as any Series of Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner of that Series for all purposes hereunder and under the respective Bond Sale Resolution, and all reference herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in that Series of Bonds.

(e) ***Use of Depository.***

(i) Unless otherwise specified in a Bond Sale Resolution, the Bonds of each Series shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with all Bonds maturing on the same maturity date and bearing the same interest rate in the form of a single certificate, or as otherwise required or requested by DTC. Registered ownership of immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of

DTC or its nominee, provided that any 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 any 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 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 Bond Registrar shall, upon receipt of all outstanding Bonds of a Series, together with a written request on behalf of the Committee, issue a single new Bond for each maturity, and each interest rate within a maturity, of the Series of the immobilized Bonds then Outstanding, or as otherwise required or requested by the successor or substitute depository, registered in the name of the successor or substitute depository, or their nominees, as the case may be, all as specified in those written request of the Committee.

(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 Committee determines that it is in the best interest of the Beneficial Owners of any Series of Bonds that owners of Bonds of that Series be able to obtain those bonds in the form of Bond certificates, the ownership of that Series of Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Committee shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds for that Series to issue Bonds as herein provided in any Authorized Denomination. Upon receipt by the Bond Registrar of all then Outstanding Bonds of that Series together with a written request on behalf of the Committee to the Bond Registrar, new Bonds 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.

Section 2.07 Provisions with Respect to Transfer of Ownership or Exchange; Change in Denominations

The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any Bond shall be valid unless that Bond is surrendered to the Bond Registrar, with the assignment form appearing on that Bond duly executed by the Registered Owner or its duly authorized agent in a manner satisfactory to the Bond Registrar. Upon surrender of a Bond for transfer or exchange, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond or Bonds (at the option of the new Registered Owner) of the same Series, date, maturity and interest rate and for the same aggregate principal amount of the surrendered Bond, in any Authorized Denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate

principal amount of Bonds, as appropriate, of the same Series, date, maturity and interest rate, in any Authorized Denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the 15 days preceding any interest payment, principal payment or redemption date.

Section 2.08 Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond becomes mutilated, lost, stolen or destroyed, the Bond Registrar shall, upon request of the State, authenticate and deliver a new Bond, as appropriate, of the same Series, date, interest rate and maturity and of like tenor and effect in substitution therefor, all in accordance with Law. If the lost, stolen or destroyed Bond has matured, the State, at its option, may pay the same without its surrender, in accordance with Law. However, no substitution or payment shall be made unless and until the applicant shall furnish (1) evidence satisfactory to the Bond Registrar of the destruction or loss of the original Bond and of its ownership and (2) such additional security, indemnity or evidence as may be required by the Committee or the Bond Registrar. The applicant shall reimburse the State and the Bond Registrar for their respective expenses in the furnishing of a substitute Bond. Each substitute Bond shall be equally and proportionately entitled to the security of this Master Resolution with all other Bond or Bonds of the same Series then outstanding. The State shall not be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued and outstanding hereunder, but both the original and the duplicate Bond shall be treated as one and the same.

Section 2.09 Requirements for Issuance of Bonds

(a) *General Requirements for Issuance of Bonds.* The State may issue one or more Series of Bonds to pay Costs of the I-405 and SR 167 Corridor Program and any Additional Eligible Toll Facilities that are part of the System, to refund all or a portion of one or more Series of Bonds, or for any combination of those purposes if the conditions set forth in (b) below are met and complied with at the time of the issuance of that Series of Bonds. Each Series of Bonds shall be issued pursuant to a Bond Sale Resolution. Other than refunding Bonds, no Series of Bonds may be offered for sale without both a prior request by WSDOT for the sale and prior appropriation by the Legislature of the net proceeds of sale of the Bonds. As of the issue date of each Series of the Bonds, the aggregate principal amount of Bonds that the Committee shall have sold and issued will not exceed the total principal amount authorized by the Bond Act to be issued, and for this purpose the principal amount of any Bonds issued to refund other Bonds shall not be taken into account and the principal amount of any Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall be equal to their principal amount on their issue date.

(b) *Conditions to the Issuance of Bonds.* Except for the issuance of the first Series of Bonds under this Master Resolution, the following conditions shall be met and complied with at the time of issuance of a Series of Bonds.

(i) There shall be on file with the State Treasurer a certificate of the Treasurer Representative stating that as of the date of issuance of the Series of Bonds, there is no deficiency in the Toll Facility Bond Retirement Account; and

(ii) Except for the issuance of refunding Bonds which satisfy the test in Section 2.09(b)(iii)(1), there shall be on file with the State Treasurer a certificate(s) or report(s) of the Traffic Consultant, Consulting Engineer, WSDOT Representative and/or Treasurer Representative, as applicable, evidencing that, based upon reasonable assumptions, after the issuance of the proposed Bonds, projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the proposed additional Bonds will be at least equal to 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year; and

(iii) At least one of the following tests shall be satisfied with respect to the proposed Bonds:

- (1) If Bonds are being issued for the purpose of refunding all or a portion of one or more Series of Bonds of the same Tier as the Bonds to be issued, or a senior Tier (*i.e.*, the number of the Tier of the refunding Bonds is equal to or greater than the number of the Tier of the Bonds to be refunded), evidence that the Annual Debt Service (taking into account the issuance of the proposed Bonds, but excluding the Bonds to be refunded with the proceeds of the proposed Bonds) will not increase by more than \$5,000 in any Fiscal Year through the last scheduled maturity of Outstanding Bonds following the issuance of the refunding Bonds.
- (2) If the proposed Bonds are First Tier Bonds, there shall be on file with the State Treasurer:
 - (a) (A) a certificate of the WSDOT Representative stating the Net Revenues for (i) the most recent Fiscal Year for which audited financial statements are available or (ii) any 12 consecutive month period in the immediately prior 18 months, and (B) a certificate of the Treasurer Representative stating that the Net Revenues shown in the certificate of the WSDOT Representative described in (A) above were at least equal to (i) 250% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, (ii) 150% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds and Second Tier Bonds, (iii) 130% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (iv) 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account the First Tier Bonds proposed to be issued and excluding any Bonds being refunded); or

(b) (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional First Tier Bonds, (B) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional First Tier Bonds, and (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the proposed First Tier Bonds will be equal to or greater than (i) 250% of Annual Debt Service on First Tier Bonds, (ii) 150% of Annual Debt Service on First Tier Bonds and Second Tier Bonds, (iii) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (iv) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year (taking into account the First Tier Bonds proposed to be issued and excluding any Bonds being refunded).

(3) If the proposed Bonds are Second Tier Bonds, there shall be on file with the State Treasurer:

(a) (A) a certificate of the WSDOT Representative stating the Net Revenues for (i) the most recent Fiscal Year for which audited financial statements are available or (ii) any 12 consecutive month period in the immediately prior 18 months, and (B) a certificate of the Treasurer Representative stating that the Net Revenues shown in the certificate of the WSDOT Representative described in (A) above were at least equal to (i) 150% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds and Second Tier Bonds, (ii) 130% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (iii) 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account the Second Tier Bonds

proposed to be issued and excluding any Bonds being refunded); or

- (b) (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Second Tier Bonds, (B) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Second Tier Bonds, and (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the proposed Second Tier Bonds will be equal to or greater than (i) 150% of Annual Debt Service on First Tier Bonds and Second Tier Bonds, (ii) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (iii) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year (taking into account the Second Tier Bonds proposed to be issued and excluding any Bonds being refunded).

- (4) If the proposed Bonds are Third Tier Bonds, there shall be on file with the State Treasurer:

- (a) (A) a certificate of the WSDOT Representative stating the Net Revenues for (i) the most recent Fiscal Year for which audited financial statements are available or (ii) any 12 consecutive month period in the immediately prior 18 months, and (B) a certificate of the Treasurer Representative stating that the Net Revenues shown in the certificate of the WSDOT Representative described in (A) above were at least equal to (i) 130% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (ii) 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account the Third Tier Bonds

proposed to be issued and excluding any Bonds being refunded); or

- (b)** (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Third Tier Bonds, (B) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Third Tier Bonds, and (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the proposed Third Tier Bonds will be equal to or greater than (i) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and (ii) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year (taking into account the Third Tier Bonds proposed to be issued and excluding any Bonds being refunded).

- (5)** If the proposed Bonds are Fourth Tier Bonds, there shall be on file with the State Treasurer:

- (a)** (A) a certificate of the WSDOT Representative stating the Net Revenues for (i) the most recent Fiscal Year for which audited financial statements are available or (ii) any 12 consecutive month period in the immediately prior 18 months, and (B) a certificate of the Treasurer Representative stating that the Net Revenues shown in the certificate of the WSDOT Representative described in (A) above were at least equal to 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account the Fourth Tier Bonds proposed to be issued and excluding any Bonds being refunded); or
- (b)** (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year

through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Fourth Tier Bonds, (B) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the additional Fourth Tier Bonds, and (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the issuance of the proposed Fourth Tier Bonds will be equal to or greater than 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year (taking into account the Fourth Tier Bonds proposed to be issued and excluding any Bonds being refunded).

- (6) If the proposed Bonds are Completion Bonds, there shall be on file with the State Treasurer:

 - (a) a certificate of the Treasurer Representative stating that the principal amount of such Completion Bonds does not exceed 10% of the aggregate principal amount of Bonds originally issued to finance that Project;
 - (b) a certificate of the Consulting Engineer or WSDOT Representative setting forth the amount of money estimated to be needed to complete the portion of the Project to be financed with the Completion Bonds; and
 - (c) a certificate of the WSDOT Representative stating that issuance of the Completion Bonds is necessary for the completion of the Project identified in the certificate delivered pursuant to (b) above, and that the proceeds of the Completion Bonds, together with other funds available therefor, will provide sufficient money for the completion of that Project.
- (7) If the proposed Bonds are Emergency Repair Bonds, there shall be on file with the State Treasurer a certificate of the Consulting Engineer or WSDOT Representative stating that (a) the Costs for which those Emergency Repair Bonds are to be issued are necessary to restore a portion of the System to a safe operating condition, and (b) the net proceeds of those Emergency Repair Bonds are not in

excess of the amount necessary to pay the Costs of the emergent repairs.

Section 2.10 No Pledge Superior to First Tier Bonds; Subordinate Obligations; Pledge of Revenues of Toll Facilities Not Part of System

(a) The State shall not issue additional obligations payable from Toll Revenue with a pledge position prior and superior to the First Tier Bonds.

(b) Nothing contained herein shall prevent the State from issuing additional obligations with a pledge position with respect to Toll Revenue that is subordinate to the pledge position of the Fourth Tier Bonds.

(c) Nothing herein shall prevent the State from issuing obligations that are secured by a pledge of revenues of Eligible Toll Facilities other than the I-405 and SR 167 Toll Lanes that have not been designated as Additional Eligible Toll Facilities and are therefore not a part of the System.

Article III REDEMPTION OF BONDS

Section 3.01 Optional and Mandatory Redemption

The Bond Sale Resolution for a Series shall designate which maturities of that Series, if any, are subject to optional and mandatory redemption, and shall further provide for the time, manner and price at which that Series of Bonds may be redeemed prior to their stated maturities.

Section 3.02 Partial Redemption

Portions of the principal amount of any Bond, in any Authorized Denomination, may be redeemed in accordance with the applicable Bond Sale Resolution. If a Bond to be redeemed is not held in book-entry only form, upon surrender of that Bond to the Bond Registrar, a new Bond or Bonds (at the option of the Registered Owner), of the same Series, date, maturity and interest rate and in the aggregate principal amount remaining unredeemed, in any Authorized Denomination, shall be authenticated and delivered, without charge, to the Registered Owner thereof.

Section 3.03 Purchase

The State hereby reserves the right to purchase any or all of the Bonds offered for sale to the State at any time, at any price.

Section 3.04 Selection of Bonds for Redemption

As long as the Bonds of a Series are held in book-entry only form, if fewer than all of the Outstanding Bonds within a maturity are to be redeemed prior to maturity, selection of Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If any Bonds are no longer held in uncertificated form, the selection of those Bonds to be redeemed

shall be made in a random method determined by the Bond Registrar or as otherwise set forth in a Bond Sale Resolution.

Section 3.05 Effect of Optional Redemption/Purchase on Term Bonds

If the State redeems under the optional redemption provisions, purchases in the open market or defeases Term Bonds of a Series, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The Treasurer Representative shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation at least 20 days prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

Section 3.06 Notice of Redemption

While the Bonds are held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then in effect at DTC, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form, the State shall cause notice of any such intended redemption (which redemption shall be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption) to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the day the notice is mailed, and the requirements of this sentence shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner.

Additional notice of redemption may be mailed or sent electronically within the same period to the MSRB, consistent with the Undertaking, to any Rating Agency which at the time maintains a rating on the Bonds at the request of the State, and to those persons and with such additional information as the Treasurer Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of the Bonds.

In the case of an optional redemption, the notice may state that the State retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Section 3.07 Effect of Redemption

If the State shall have set aside on the date fixed for redemption sufficient money for the payment of the Bonds called for redemption on that date, the Bonds so called shall cease to accrue interest after that redemption date, and all those Bonds shall be deemed not to be outstanding hereunder for any purpose, except that the Registered Owners thereof shall be entitled to receive payment of the redemption price and accrued interest to the redemption date from the money set aside for that purpose.

Notwithstanding the foregoing, with respect to optional redemptions only, if the Bond Registrar does not have funds in its possession on the redemption date sufficient to pay the redemption price (including interest accruing to the redemption date) of all of the Bonds to be optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for that purpose on or prior to the redemption date), then the purported optional redemption and the notice of that purported redemption shall be void. Such event shall not constitute an Event of Default hereunder, and neither the Bond Registrar nor the State shall be subject to any liability to the Holders, the Beneficial Owners or any other person as a result of such failure to redeem Bonds.

Section 3.08 Cancellation of Bonds

All Bonds purchased or redeemed under this Article III shall be canceled, except for any Bonds purchased by the State in circumstances in which the State intends that the purchased Bonds shall remain Outstanding and the debt evidenced by the purchased Bonds is not treated as extinguished under the Code.

Article IV SECURITY AND PLEDGE POSITION

Section 4.01 Parity as to Toll Revenue; Bonds Within a Tier and Series Equally and Ratably Secured

(a) Except as otherwise provided in Section 9.07, and subject to the provisions of Section 6.11, all Bonds issued hereunder and at any time Outstanding shall be equally and ratably secured, with the same right, pledge and preference with respect to the Toll Revenue, with all other Outstanding Bonds of the same Tier, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds of the same Tier. Bonds issued under this Master Resolution shall have a right, pledge and preference to payment from Toll Revenue in the following order of priority: (1) First Tier Bonds; (2) Second Tier Bonds; (3) Third Tier Bonds; and (4) Fourth Tier Bonds. Section 9.07 describes the circumstances under which TIFIA Bonds will be deemed to be and will automatically become First Tier Bonds. Hedge Termination Payments shall not be secured by this Master Resolution on a parity with any Series of Bonds. Hedge Termination Payments may be secured by a pledge of Toll Revenue that is subordinate to the pledge position of the Fourth Tier Bonds as described in Section 2.10(b). Nothing herein shall be construed to preclude the creation of separate reserve funds or the obtaining of separate surety bonds, insurance policies or other Credit Facilities for any Series of Bonds, which may or may not be pledged toward the payment of other Series of Bonds, and nothing herein shall be construed to preclude the designation of any Series of Bonds as Triple Pledge Bonds.

(b) All Bonds of a particular Series shall in all respects be equally and ratably secured and shall have the same right and pledge preference established for the benefit of that Series of Bonds, including, without limitation, rights to the Toll Facilities Account, to the Debt Service Subaccount, and to any Debt Service Reserve Subaccount securing payment of that Series in the Toll Facility Bond Retirement Account. Amounts drawn under a Credit Facility with respect to a particular Series and all other amounts held in accounts established with respect to that Series

pursuant to the provisions of Article VI and the Bond Sale Resolution providing for the terms of that Series shall be applied solely to make payments on that Series of Bonds.

Section 4.02 Pledge of Toll Revenue and Obligation to Impose Tolls

(a) Toll Revenue is irrevocably pledged for the benefit of the Bonds authorized herein. The pledge hereby made shall be valid and binding from and after the time of the delivery of the first Bond authenticated and delivered under this Master Resolution. The Toll Revenue so pledged and then or thereafter received by the State shall immediately be subject to that pledge, and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the State with regard to the Toll Revenue, to the extent provided herein.

(b) As authorized and directed by the Legislature pursuant to the Toll Facilities Act and the Bond Act, the Committee, on behalf of the State, pledges for the benefit of the Holders of Outstanding Bonds, that the State will impose and maintain Tolls on the I-405 and SR 167 Toll Lanes and on any other Eligible Toll Facilities that are part of the System in amounts sufficient to pay, when due, the principal of and interest on the Bonds, and consistent with the covenants in Section 7.01 and Section 7.02 of this Master Resolution. As further authorized and directed by the Legislature pursuant to the Toll Facilities Act and the Bond Act, the Committee, on behalf of the State, further pledges for the benefit of the Holders of Outstanding Bonds, that the State will not impair or withdraw the delegation to the Tolling Authority of the power to fix and adjust Tolls as provided in the Toll Facilities Act.

Section 4.03 Triple Pledge Bonds

(a) **Designation.** Any Series of Bonds may be designated by the Committee as Triple Pledge Bonds in the applicable Bond Sale Resolution.

(b) **General Obligations of the State.** Triple Pledge Bonds are general obligations of the State. The State, acting by and through the Committee, pledges its full faith and credit to the payment of the principal of and premium, if any, and interest on the Triple Pledge Bonds and unconditionally promises to pay that principal, premium and interest as the same shall become due.

(c) **Pledge of Motor Vehicle Fuel Taxes and Vehicle-Related Fees.** On behalf of the State and as a part of the contract of sale of the Bonds, the proceeds of the Motor Vehicle Fuel Taxes and Vehicle-Related Fees are pledged to the payment of the principal of and premium, if any, and interest on the Triple Pledge Bonds.

(d) The principal of and premium, if any, and interest on the Triple Pledge Bonds shall be first payable from Toll Revenue and other funds held in any related Debt Service Subaccount and any Debt Service Reserve Subaccount in the Toll Facility Bond Retirement Account that are pledged to the payment of the applicable Series of Bonds, and second from Toll Revenue and other funds held in the Revenue Stabilization Subaccount. If and to the extent the Toll Revenue and those other funds are not sufficient to pay the principal of and premium, if any, and interest on any Triple Pledge Bond as the same shall become due and payable, that unpaid principal of and premium, if any, and interest on the Triple Pledge Bonds shall be payable first from Motor Vehicle

Fuel Taxes and Vehicle-Related Fees, and second from other money of the State legally available therefor. In the Bond Act the Legislature has agreed to continue to impose Motor Vehicle Fuel Taxes and Vehicle-Related Fees in amounts sufficient to pay, when due, the principal and interest on all Series of Triple Pledge Bonds.

(e) Any Motor Vehicle Fuel Taxes or Vehicle-Related Fees required to pay the Triple Pledge Bonds, or the interest thereon when due, shall be taken from that portion of the Motor Vehicle Fund which results from the imposition of Motor Vehicle Fuel Taxes and Vehicle-Related Fees which is, or may be, appropriated to WSDOT for state highway purposes, and shall never constitute a charge against any allocations of fuel tax and vehicle-related fee revenues of the State, counties, cities, and towns unless the amount arising from Motor Vehicle Fuel Taxes and Vehicle-Related Fees distributed to the State in the Motor Vehicle Fund proves insufficient to meet the requirements for bond retirement or interest on any Triple Pledge Bonds.

(f) The Triple Pledge Bonds and any other general obligation bonds of the State that have been or that may be authorized and that pledge Motor Vehicle Fuel Taxes for the payment of principal of and interest thereon shall be an equal charge against the revenues from such excise taxes on fuel. The Triple Pledge Bonds and any other general obligation bonds of the State that have been or that may be authorized and that pledge Vehicle-Related Fees for the payment of the principal of and interest thereon shall be an equal charge against the revenues from such Vehicle-Related Fees.

Article V THE SYSTEM

Section 5.01 The System

The System initially shall consist of the I-405 and SR 167 Toll Lanes.

Section 5.02 Addition of Eligible Toll Facilities to the System

The State may designate Additional Eligible Toll Facilities as a part of the System. Upon compliance with the following conditions, those Additional Eligible Toll Facilities shall become a part of the System:

(a) if and to the extent the Legislature has authorized the imposition of tolls on all or a portion of the Additional Eligible Toll Facilities, the Tolling Authority by official action of the Tolling Authority shall have set Tolls on the Additional Eligible Toll Facilities;

(b) if and to the extent the Cost of the Additional Eligible Toll Facilities is to be financed with Bonds issued under and pursuant to this Master Resolution, the Legislature by the enactment of amendments of or supplements to the Bond Act shall have authorized the issuance and sale of those Bonds;

(c) At least one of (i), (ii) or (iii) set forth below shall be satisfied:

(i) there shall be on file with the Committee and the Tolling Authority:

- (1) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue with (including the additional Toll Revenue, if any, expected to be generated by those Additional Eligible Toll Facilities) and without the addition of the Additional Eligible Toll Facilities to the System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System; and
- (2) a certificate of the Consulting Engineer or WSDOT Representative stating:

 - (a) based upon reasonable assumptions, the estimated Operating and Maintenance Expenses with (including the additional Operating and Maintenance Expenses, if any, expected to be required in connection with those Additional Eligible Toll Facilities) and without the addition of the Additional Eligible Toll Facilities to the System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System; and
 - (b) based upon reasonable assumptions, a projected schedule of deposits to the Repair and Replacement Reserve Subaccount with (taking into account the additional Repair and Replacement Expenses, if any, expected to be required in connection with those Additional Eligible Toll Facilities) and without the addition of the Additional Eligible Toll Facilities to the System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System; and
- (3) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in Section 5.02(c)(i)(1) and Section 5.02(c)(i)(2) above, (i) the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System will exceed the Net Revenues available or projected to be available for each respective Fiscal Year without the addition of the Additional Eligible Toll Facilities to the System, and (ii) the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following addition of the Additional Eligible Toll Facilities to the System will be equal to or greater than 100% of the aggregate amount of the required payments described

in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year; or

(ii) there shall be on file with the Committee and the Tolling Authority:

- (1) a certificate of the WSDOT Representative stating (i) the Net Revenues for (A) the most recent Fiscal Year for which audited financial statements are available or (B) any 12 consecutive month period in the immediately prior 18 months (taking into account revenue generated by the Additional Eligible Toll Facilities, if any, and expenses associated with the Additional Eligible Toll Facilities, if any, that would be “Toll Revenue” or “Operating and Maintenance Expenses,” respectively, if the Additional Toll Facilities had been part of the System during such period); and (ii) the amount of deposits to the Repair and Replacement Reserve Subaccount that would have been required for such period using the methodology for determining amounts of Replacement and Reserve Subaccount deposits set forth in Section 6.04(a) and taking into account the additional Repair and Replacement Expenses, if any, of the Additional Eligible Toll Facilities; and
- (2) a certificate of the Treasurer Representative stating that the Net Revenues shown in the certificate of the WSDOT Representative described in (1) above were at least equal to (i) 250% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, (ii) 150% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds and Second Tier Bonds, (iii) 130% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, (iv) 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account any Bonds proposed to be issued and excluding any Bonds or other obligations being refunded in connection with the addition of the Additional Eligible Toll Facilities to the System), and (v) 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable period; or

(iii) there shall be on file with the Committee and the Tolling Authority:

- (1) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue following the addition of the Additional Eligible Toll Facilities to the System (including the additional Toll Revenue, if any, expected to be generated by those Additional Eligible Toll Facilities) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity

of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System;

(2) a certificate of the Consulting Engineer or WSDOT Representative stating:

(a) based upon reasonable assumptions, the estimated Operating and Maintenance Expenses following the addition of the Additional Eligible Toll Facilities to the System (including the additional Operating and Maintenance Expenses, if any, expected to be required in connection with those Additional Eligible Toll Facilities) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System; and

(b) based upon reasonable assumptions, a projected schedule of deposits to the Repair and Replacement Reserve Subaccount following the addition of the Additional Eligible Toll Facilities to the System (including the additional Repair and Replacement Expenses, if any, expected to be required in connection with those Additional Eligible Toll Facilities) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following the addition of the Additional Eligible Toll Facilities to the System; and

(3) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in Section 5.02(c)(iii)(1) and Section 5.02(c)(iii)(2) above, the projected Net Revenues for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds following addition of the Additional Eligible Toll Facilities to the System will be equal to or greater than (i) 250% of the Annual Debt Service on First Tier Bonds, (ii) 150% of Annual Debt Service on First Tier Bonds and Second Tier Bonds, (iii) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, (iv) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year, and (v) 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year;

(d) the Committee has been provided evidence that any outstanding indebtedness or other obligations for the repayment of borrowed money relating to those Additional Eligible Toll Facilities is not required to be paid from Toll Revenue or has been duly paid or defeased, unless the State has determined to issue Bonds for the purpose of refinancing all outstanding obligations

relating to those Additional Eligible Toll Facilities upon compliance with the provisions of Section 2.09;

(e) the Committee has adopted a resolution approving the designation of the Additional Eligible Toll Facilities as part of the System; and

(f) so long as any Bonds that are Tax-Exempt Bonds or Tax-Advantaged are Outstanding, there shall be on file with the Committee an Opinion of Bond Counsel to the effect that the addition of the proposed Additional Eligible Toll Facilities to the System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or tax credits by the Beneficial Owners in respect of the Tax-Advantaged Bonds.

Section 5.03 Replacement Master Resolution; New System

Upon compliance with the terms set forth herein, the State may combine the System with other Eligible Toll Facilities that are not then part of the System (collectively, the “New System”) and replace this Master Resolution with a master toll bond resolution (the “Replacement Master Resolution”) adopted by the Committee meeting the requirements set forth herein. Upon compliance with the terms set forth in this Section 5.03 and receipt by the State Treasurer, the Committee, and the Tolling Authority of each of the items listed below, all Bonds issued and Outstanding pursuant to this Master Resolution shall, upon the request of the State, be deemed to be issued under and pursuant to, and secured by the Replacement Master Resolution and shall no longer be considered Outstanding under, or entitled to any pledge, benefit or security of this Master Resolution:

(a) so long as any Bonds that are Tax-Exempt Bonds or Tax-Advantaged are Outstanding, an Opinion of Bond Counsel to the effect that the replacement of this Master Resolution with the Replacement Master Resolution and the substitution of the System with the New System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or tax credits by the Beneficial Owners in respect of the Tax-Advantaged Bonds;

(b) a certified copy of the Replacement Master Resolution, which Replacement Master Resolution contains pledges, covenants, and requirements made by or applicable to the State and other terms and provisions with respect to the payment of and security for the Bonds and the protection and benefit of Bondholders that are no less restrictive than those contained in the following provisions of this Master Resolution: Sections 2.10, 4.01, 4.02, 4.03, 5.01, 5.02, 5.03, 5.04, 7.01, 7.02, 7.09, 7.11, 8.02, 8.03, 8.04, 8.05, 9.01, and 9.04;

(c) if and to the extent the Legislature has authorized the imposition of tolls on all or a portion of the Eligible Toll Facilities to be included in the New System, the Tolling Authority by official action of the Tolling Authority shall have set Tolls on such Eligible Toll Facilities;

(d) At least one of (i), (ii) or (iii) set forth below shall be satisfied, with all defined terms to have their respective meanings set forth in, and calculations to be performed as provided by, this Master Resolution:

(i) there shall be on file with the State Treasurer, the Committee, and the Tolling Authority:

- (1) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for each of the System and the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and
- (2) a certificate of the Consulting Engineer or WSDOT Representative stating:
 - (a) based upon reasonable assumptions, the estimated Operating and Maintenance Expenses for each of the System and the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and
 - (b) based upon reasonable assumptions, a projected schedule of deposits to the Repair and Replacement Reserve Subaccount for each of the System and the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and
- (3) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in Section 5.03(d)(i)(1) and Section 5.03(d)(i)(2) above, (i) the projected Net Revenues of the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds will exceed the Net Revenues of the System available or projected to be available for the respective Fiscal Year, and (ii) the projected Net Revenues of the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds will be equal to or greater than 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year.

(ii) there shall be on file with the State Treasurer, the Committee, and the Tolling Authority:

- (1) a certificate of the WSDOT Representative stating the Net Revenues of the New System for (i) the most recent Fiscal Year for which audited financial statements are available or (ii) any 12 consecutive month period in the immediately prior 18 months (taking into account revenue generated by the all Eligible Toll Facilities to be included in the New System, and expenses associated with the all

Eligible Toll Facilities to be included in the New System, that would be “Toll Revenue” or “Operating and Maintenance Expenses,” respectively, as if such Eligible Toll Facilities had been part of the System during such period);

- (2) a certificate of the WSDOT Representative based upon reasonable assumptions, setting forth an estimated amount of required deposits to the Repair and Replacement Reserve Subaccount for the New System for the applicable period; and
- (3) a certificate of the Treasurer Representative stating that the Net Revenues of the New System shown in the certificate of the WSDOT Representative described in (1) above were at least equal to (i) 250% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, (ii) 150% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds and Second Tier Bonds, (iii) 130% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, (iv) 110% of the Maximum Annual Debt Service for all then-Outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds (taking into account any bonds outstanding, or proposed to be issued, under the Replacement Master Resolution, and excluding any Bonds or other obligations being refunded in connection with the substitution of the New System for the System), and (v) 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable period; or

(iii) there shall be on file with the State Treasurer, the Committee, and the Tolling Authority:

- (1) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue for the New System (including revenue generated by all Eligible Toll Facilities to be included in the New System) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds;
- (2) a certificate of the Consulting Engineer or WSDOT Representative stating:
 - (a) based upon reasonable assumptions, the estimated Operating and Maintenance Expenses for the New System (and expenses associated with all Eligible Toll Facilities to be included in the New System) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and

(b) based upon reasonable assumptions, a projected schedule of deposits to the Repair and Replacement Reserve Subaccount for the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and

(3) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in Section 5.03(d)(iii)(1) and Section 5.03(d)(iii)(2) above, the projected Net Revenues of the New System for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds will be equal to or greater than (i) 250% of the Annual Debt Service on First Tier Bonds, (ii) 150% of Annual Debt Service on First Tier Bonds and Second Tier Bonds, (iii) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, (iv) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds in each Fiscal Year, and (v) 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year;

(e) evidence that, upon consummation of the substitution of the New System for the System and the Replacement Master Resolution for this Master Resolution, the rating(s) being maintained by any Rating Agency on any Series of Bonds at the request of the State (without regard to any credit enhancement of such Bonds) will not be lower than the then-current ratings on such Series of Bonds solely as a result of the substitution of the New System for the System and the Replacement Master Resolution for this Master Resolution; provided, however, that no such rating confirmation shall be required for any Outstanding Bonds that are not then rated by any Rating Agency at the request of the State.

The Bond Registrar shall notify the Bondholders and each Rating Agency then maintaining a rating on any Series of Bonds at the request of the State, if any, by mail of all amendments made to this Master Resolution, whether or not the amendment required the consent of Bondholders.

Section 5.04 Notice to Bondholders

The Bond Registrar shall notify the Bondholders and each Rating Agency then maintaining a rating on any Series of Bonds at the request of the State, if any, of all additions of Eligible Toll Facilities to the System in accordance with Section 5.02 hereof and any substitution of the New System for the System and the Replacement Master Resolution for this Master Resolution in accordance with Section 5.03 hereof.

Article VI
REVENUES AND ACCOUNTS; FLOW OF FUNDS

Section 6.01 Creation of Accounts

(a) *Toll Facilities Account.* The Toll Facilities Account has been created in the Motor Vehicle Fund, and there are hereby established within that Account the following Subaccounts:

- (i)** Revenue Stabilization Subaccount;
- (ii)** Repair and Replacement Reserve Subaccount;
- (iii)** Bond Proceeds Subaccount; and
- (iv)** Deferred Sales Tax Subaccount.

(b) *Toll Facility Bond Retirement Account.* The Toll Facility Bond Retirement Account has been created in the State Treasury, and there are hereby established within that Account the following Subaccounts:

- (i)** First Tier Debt Service Subaccount;
- (ii)** First Tier Common Debt Service Reserve Subaccount;
- (iii)** Second Tier Debt Service Subaccount;
- (iv)** Second Tier Common Debt Service Reserve Subaccount;
- (v)** Third Tier Debt Service Subaccount;
- (vi)** Third Tier Common Debt Service Reserve Subaccount;
- (vii)** Fourth Tier Debt Service Subaccount; and
- (viii)** Fourth Tier Common Debt Service Reserve Subaccount.

(c) *Additional Subaccounts.* The State reserves the right to establish one or more additional subaccounts, and subdivisions within those subaccounts, as the State may deem necessary or useful, which shall include, but not be limited to, Series Debt Service Reserve Subaccounts created pursuant to Bond Sale Resolutions.

(d) *Treatment of Subaccounts and Subdivisions.* Subaccounts, and subdivisions within those subaccounts, created within the Toll Facilities Account or the Toll Facility Bond Retirement Account may be accounted for as separate restricted fund balances or in such other fashion as the State determines is consistent with applicable State law and accounting practices.

Section 6.02 Toll Facilities Account – Deposit and Application of Toll Revenue

All Toll Revenue shall be deposited in the Toll Facilities Account and used in accordance with the provisions of Section 6.11.

Section 6.03 Revenue Stabilization Subaccount of Toll Facilities Account

Amounts in the Revenue Stabilization Subaccount shall be used by the State to fund costs relating to the System, provide for debt service on Bonds, or for any other System purpose, including payment of Operating and Maintenance Expenses. Within 120 days after the end of each Fiscal Year, the WSDOT Representative, in consultation with the Treasurer Representative, shall determine the amount, if any, that shall be transferred from the Toll Facilities Account Fund Balance and/or Toll Revenue to the Revenue Stabilization Subaccount in that Fiscal Year. Within 120 days after the end of each Fiscal Year, the WSDOT Representative, in consultation with the Treasurer Representative, shall determine the amount, if any, that shall be transferred from the Revenue Stabilization Subaccount to the Toll Facilities Account in that Fiscal Year. The State may withdraw any amount from the Revenue Stabilization Subaccount in any Fiscal Year, but any amount withdrawn in excess of 50% of Annual Debt Service in that year (or in excess of 75% of Annual Debt Service in a year in which a Force Majeure Event has occurred or is continuing) will not be treated as Toll Revenue received in that Fiscal Year for purposes of calculating Net Revenues. Amounts withdrawn from the Revenue Stabilization Subaccount and deposited in the Toll Facilities Account in any Fiscal Year shall not be treated as Toll Revenue received in that Fiscal Year for the purposes of meeting the tests set forth in Section 2.09, Section 5.02 or Section 7.10. The amounts deposited in the Revenue Stabilization Subaccount are pledged to Bondholders.

Section 6.04 Repair and Replacement Reserve Subaccount of Toll Facilities Account

(a) Amounts in the Repair and Replacement Reserve Subaccount shall be used exclusively for Repair and Replacement Expenses for the System in accordance with WSDOT's then-current capital improvement program and System Budget and any other Repair and Replacement Expenses that must be incurred to restore or maintain a portion of the System in a safe operating condition due to damage as a result of fire, flood, earthquake, other disaster, or otherwise. Amounts to be deposited in the Repair and Replacement Reserve Subaccount shall be determined by WSDOT based on its projected long-term Repair and Replacement Expense needs, in consultation with the Treasurer Representative and the Consulting Engineer or WSDOT Representative, and shall be reflected in the System Budget annually. The amount required to be deposited in the Repair and Replacement Reserve Subaccount, as determined in accordance with this Section 6.04(a) and as shown in the then-current System Budget, shall be transferred to and/or accumulated in the Repair and Replacement Reserve Subaccount from the Toll Facilities Account Fund Balance and/or Toll Revenue over a period of twelve months. The amounts deposited in the Repair and Replacement Reserve Subaccount are not pledged to Bondholders.

(b) If the amount in the Repair and Replacement Reserve Subaccount exceeds the amount required to be deposited and maintained therein determined in accordance with Section 6.04(a), the WSDOT Representative may, at WSDOT's discretion following consultation

with the Treasurer Representative, direct that any excess be applied in accordance with Section 6.11.

Section 6.05 Bond Proceeds Subaccount of Toll Facilities Account

All net proceeds of the sale of each Series of Bonds shall be paid to the State, against receipt therefor, at or prior to the delivery of that Series of Bonds and shall be deposited or delivered into the Bond Proceeds Subaccount.

Section 6.06 Deferred Sales Tax Subaccount of Toll Facilities Account

Amounts in the Deferred Sales Tax Subaccount shall be used to pay Deferred Sales Tax Obligations in accordance with the applicable statute granting a deferral of state and local sales and use taxes for a Project. Deferred Sales Tax Obligations, if any, shall be payable not later than the times and in the amounts as provided in applicable law in respect of each Project. The amounts deposited in the Deferred Sales Tax Subaccount are not pledged to Bondholders.

Section 6.07 First Tier Subaccounts

(a) *First Tier Debt Service Subaccount.*

(i) Amounts in the First Tier Debt Service Subaccount shall be used to pay the principal of and interest on the First Tier Bonds when due in accordance with the terms of the Bond Sale Resolution authorizing the issuance and sale of each Series of First Tier Bonds. However, if so provided in the Bond Sale Resolution creating a Series of First Tier Bonds, while there is a Credit Facility in effect with respect to that Series of First Tier Bonds, amounts in the First Tier Debt Service Subaccount may be used to reimburse the Credit Provider of that Credit Facility for interest, principal or redemption payments, respectively, made to Holders of those First Tier Bonds with funds provided by that Credit Provider to the extent that those reimbursement obligations of the State are secured as First Tier Bonds by this Master Resolution. Amounts in the First Tier Debt Service Subaccount shall be pledged to Holders of First Tier Bonds.

(ii) In the event that on the Business Day preceding any Bond Payment Date the amount in the First Tier Debt Service Subaccount shall be less than the amount required for payment of the interest on and the principal of the Outstanding First Tier Bonds due and payable on that Bond Payment Date, the State shall withdraw the amount necessary to increase the amount on deposit in the First Tier Debt Service Subaccount to the requirement therefor from, in the following order: (1) the First Tier Debt Service Reserve Subaccount, if any, that secures the applicable Series of Bonds; (2) the Revenue Stabilization Subaccount; (3) if the Bonds are Triple Pledge Bonds, the Motor Vehicle Fuel Taxes and Vehicle-Related Fees held in the Motor Vehicle Fund pledged for the payment of Triple Pledge Bonds, and (4) if the Bonds are Triple Pledge Bonds, any money of the State legally available therefor.

(iii) When First Tier Bonds are redeemed or purchased, the amount, if any, in the First Tier Debt Service Subaccount available to pay interest thereon shall be applied to the payment of accrued interest in connection with that redemption or purchase. Whenever the aggregate amount in the First Tier Debt Service Subaccount and the First Tier Debt Service Reserve Subaccounts is sufficient to redeem all of the Outstanding First Tier Bonds and to pay

interest accrued to the redemption date, the State shall redeem all First Tier Bonds on the applicable redemption date. Any amounts remaining in the First Tier Debt Service Subaccount and the First Tier Debt Service Reserve Subaccounts after payment in full of the principal or redemption price, premium, if any, and interest on the First Tier Bonds (or provision for payment thereof) shall be paid to the Toll Facilities Account.

(b) *First Tier Debt Service Reserve Subaccounts.*

(i) Pursuant to any Bond Sale Resolution providing for the issuance of a Series of First Tier Bonds, the Committee may:

- (1)** provide that the Series will be secured by the First Tier Common Debt Service Reserve Subaccount,
- (2)** establish a Series Debt Service Reserve Subaccount, which shall have its own Debt Service Reserve Requirement, and provide that the Series will be secured by that Series Debt Service Reserve Subaccount, or
- (3)** provide that the Series will not be secured by any Debt Service Reserve Subaccount.

(ii) Subject to the provisions of Section 6.07(a), amounts in a First Tier Debt Service Reserve Subaccount shall be used to pay debt service on the First Tier Bonds secured by that First Tier Debt Service Reserve Subaccount on the date such debt service is due when sufficient funds for that purpose are not available in the First Tier Debt Service Subaccount. Amounts in a First Tier Debt Service Reserve Subaccount shall be pledged to Holders of First Tier Bonds in accordance with Section 6.07(b)(i) and as set forth in the applicable Bond Sale Resolution for each Series of First Tier Bonds.

(iii) In lieu of or in addition to cash or investments, at any time the State may cause to be deposited to the credit of a First Tier Debt Service Reserve Subaccount any form of Credit Facility, in an amount up to the related Debt Service Reserve Requirement, irrevocably payable to the State as beneficiary for the Holders of the First Tier Bonds secured by that First Tier Debt Service Reserve Subaccount, provided that the State Treasurer has received evidence satisfactory to it that (1) at the time of the initial delivery of the Credit Facility, the Credit Provider has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (2) the obligation of the State to pay the fees of and to reimburse the Credit Provider is subordinate to its obligation to pay debt service on the First Tier Bonds, (3) the initial term of the Credit Facility is at least 24 months, (4) except as provided in the next sentence of this subsection, the only condition to a drawing under the Credit Facility is insufficient amounts in the First Tier Debt Service Subaccount when needed to pay debt service on the First Tier Bonds secured by that First Tier Debt Service Reserve Subaccount or the expiration of the Credit Facility, and (5) the Credit Provider is required to notify the State at least 18 months prior to expiration of the Credit Facility. If (A) the State receives an expiration notice with respect to the Credit Facility and the Credit Provider does not extend the expiration date of the Credit Facility or (B) the State receives notice of the termination of the Credit Facility, the State shall (X) provide a substitute Credit Facility that

meets the requirements set forth in the foregoing sentences, (Y) deposit the applicable Debt Service Reserve Requirement to that First Tier Debt Service Reserve Subaccount (1) in the manner provided in the Bond Sale Resolution pursuant to which the relevant First Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, or (Z) draw on the Credit Facility in the amount of the related Debt Service Reserve Requirement (1) in the manner provided in the Bond Sale Resolution pursuant to which the relevant First Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, and deposit those draw proceeds in the First Tier Debt Service Reserve Subaccount.

(iv) Amounts, if any, released from a First Tier Debt Service Reserve Subaccount upon deposit to the credit of that First Tier Debt Service Reserve Subaccount of a Credit Facility pursuant to subsection (iii) of this section shall, upon designation by the WSDOT Representative, and only if accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds secured by the relevant First Tier Debt Service Reserve Subaccount that are Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or federal tax credits by the Beneficial Owners in respect of any Bonds secured by the relevant First Tier Debt Service Reserve Subaccount that are Tax-Advantaged Bonds, be transferred (1) to the First Tier Debt Service Subaccount and used to pay principal of or to redeem those First Tier Bonds or (2) to the Bond Proceeds Subaccount with respect to the applicable Series of First Tier Bonds, and used for payment of Costs of the Project financed by that Series.

(v) In the event that the State has withdrawn money from, or drawn on a Credit Facility in, a First Tier Debt Service Reserve Subaccount for the purpose of paying principal and interest on the First Tier Bonds when due, the State shall replenish the amount on deposit, or reinstate the Credit Facility, as applicable, in the applicable First Tier Debt Service Reserve Subaccount in accordance with Section 6.11 until the amount therein is equal to the Debt Service Reserve Requirement for First Tier Bonds to which that First Tier Debt Service Reserve Subaccount is pledged.

Section 6.08 Second Tier Subaccounts

(a) *Second Tier Debt Service Subaccount.*

(i) Amounts in the Second Tier Debt Service Subaccount shall be used to pay the principal of and interest on the Second Tier Bonds when due in accordance with the terms of the Bond Sale Resolution creating each Series of Second Tier Bonds. However, if so provided in the Bond Sale Resolution creating a Series of Second Tier Bonds, while there is a Credit Facility in effect with respect to that Series of Second Tier Bonds, amounts in the Second Tier Debt Service Subaccount may be used to reimburse the Credit Provider of that Credit Facility for interest, principal or redemption payments, respectively, made to Holders of those Second Tier Bonds with funds provided by that Credit Provider to the extent that those reimbursement obligations of the State are secured as Second Tier Bonds by this Master Resolution. Amounts in the Second Tier Debt Service Subaccount shall be pledged to Holders of Second Tier Bonds.

(ii) In the event that on the Business Day preceding any Bond Payment Date the amount in the Second Tier Debt Service Subaccount shall be less than the amount required for

payment of the interest on and the principal of the Outstanding Second Tier Bonds due and payable on that Bond Payment Date, the State shall withdraw the amount necessary to increase the amount on deposit in the Second Tier Debt Service Subaccount to the requirement therefor from, in the following order: (1) the Second Tier Debt Service Reserve Subaccount, if any, that secures the applicable Series of Bonds; (2) the Revenue Stabilization Subaccount; (3) if the Bonds are Triple Pledge Bonds, the Motor Vehicle Fuel Taxes and Vehicle-Related Fees held in the Motor Vehicle Fund pledged for the payment of Triple Pledge Bonds, and (4) if the Bonds are Triple Pledge Bonds, any money of the State legally available therefor.

(iii) When Second Tier Bonds are redeemed or purchased, the amount, if any, in the Second Tier Debt Service Subaccount available to pay interest thereon shall be applied to the payment of accrued interest in connection with that redemption or purchase. Whenever the aggregate amount in the Second Tier Debt Service Subaccount and the Second Tier Debt Service Reserve Subaccounts is sufficient to redeem all of the Outstanding Second Tier Bonds and to pay interest accrued to the redemption date, the State shall redeem all Second Tier Bonds on the applicable redemption date. Any amounts remaining in the Second Tier Debt Service Subaccount and the Second Tier Debt Service Reserve Subaccounts after payment in full of the principal or redemption price, premium, if any, and interest on the Second Tier Bonds (or provision for payment thereof) and the fees, charges and expenses of the State, including all amounts owed to the Credit Providers, if any, and the Bond Registrar, shall be paid to the Toll Facilities Account.

(b) *Second Tier Debt Service Reserve Subaccounts.*

(i) Pursuant to any Bond Sale Resolution providing for the issuance of a Series of Second Tier Bonds, the Committee may:

- (1) provide that the Series will be secured by the Second Tier Common Debt Service Reserve Subaccount,
- (2) establish a Series Debt Service Reserve Subaccount, which shall have its own Debt Service Reserve Requirement, and provide that the Series will be secured by that Series Debt Service Reserve Subaccount, or
- (3) provide that the Series will not be secured by any Debt Service Reserve Subaccount.

(ii) Subject to the provisions of Section 6.08(a), amounts in a Second Tier Debt Service Reserve Subaccount shall be used to pay debt service on the Second Tier Bonds secured by that Second Tier Debt Service Subaccount on the date such debt service is due when sufficient funds for that purpose are not available in the Second Tier Debt Service Subaccount. Amounts in a Second Tier Debt Service Reserve Subaccount shall be pledged to Holders of Second Tier Bonds in accordance with Section 6.08(b)(i) and as set forth in the applicable Bond Sale Resolution for each Series of Second Tier Bonds.

(iii) In lieu of or in addition to cash or investments, at any time the State may cause to be deposited to the credit of a Second Tier Debt Service Reserve Subaccount any form of Credit Facility, in an amount up to the related Debt Service Reserve Requirement, irrevocably

payable to the State as beneficiary for the Holders of the Second Tier Bonds secured by that Second Tier Debt Service Reserve Subaccount, provided that the State Treasurer has received evidence satisfactory to it that (1) at the time of the initial delivery of the Credit Facility the Credit Provider has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (2) the obligation of the State to pay the fees of and to reimburse the Credit Provider is subordinate to its obligation to pay debt service on the Second Tier Bonds, (3) the initial term of the Credit Facility is at least 24 months, (4) except as provided in the next sentence of this subsection, the only condition to a drawing under the Credit Facility is insufficient amounts in the Second Tier Debt Service Subaccount when needed to pay debt service on the Second Tier Bonds secured by that Second Tier Debt Service Reserve Subaccount or the expiration of the Credit Facility, and (5) the Credit Provider is required to notify the State at least 18 months prior to expiration of the Credit Facility. If (A) the State receives an expiration notice with respect to the Credit Facility and the Credit Provider does not extend the expiration date of the Credit Facility or (B) the State receives notice of the termination of the Credit Facility, the State shall (X) provide a substitute Credit Facility that meets the requirements set forth in the foregoing sentences, (Y) deposit the applicable Debt Service Reserve Requirement to that Second Tier Debt Service Reserve Subaccount (1) in the manner provided in the Bond Sale Resolution pursuant to which such Second Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, or (Z) draw on the Credit Facility in the amount of the related Debt Service Reserve Requirement (1) in the manner provided in the Bond Sale Resolution pursuant to which such Second Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, and deposit those draw proceeds in the Second Tier Debt Service Reserve Subaccount.

(iv) Amounts, if any, released from a Second Tier Debt Service Reserve Subaccount upon deposit to the credit of that Second Tier Debt Service Reserve Subaccount of a Credit Facility pursuant to subsection (iii) of this section shall, upon designation by the WSDOT Representative, and only if accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds secured by the relevant Second Tier Debt Service Reserve Subaccount that are Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or federal tax credits by the Beneficial Owners in respect of any Bonds secured by the relevant Second Tier Debt Service Reserve Subaccount that are Tax-Advantaged Bonds, be transferred (1) to the Second Tier Debt Service Subaccount and used to pay principal of or to redeem those Second Tier Bonds or (2) to the Bond Proceeds Subaccount with respect the applicable Series of Second Tier Bonds, and used for payment of Costs of the Project financed by that Series.

(v) In the event that the State has withdrawn money from, or drawn on a Credit Facility in, a Second Tier Debt Service Reserve Subaccount for the purpose of paying principal and interest on the Second Tier Bonds when due, the State shall replenish the amount on deposit, or reinstate the Credit Facility, as applicable, in the applicable Second Tier Debt Service Reserve Subaccount in accordance with Section 6.11 until such amount is equal to the Debt Service Reserve Requirement for Second Tier Bonds to which that Second Tier Debt Service Reserve Subaccount is pledged.

Section 6.09 Third Tier Subaccounts

(a) *Third Tier Debt Service Subaccount.*

(i) Amounts in the Third Tier Debt Service Subaccount shall be used to pay the principal of and interest on the Third Tier Bonds when due in accordance with the terms of the Bond Sale Resolution creating each Series of Third Tier Bonds. However, if so provided in the Bond Sale Resolution creating a Series of Third Tier Bonds, while there is a Credit Facility in effect with respect to that Series of Third Tier Bonds, amounts in the Third Tier Debt Service Subaccount may be used to reimburse the Credit Provider of that Credit Facility for interest, principal or redemption payments, respectively, made to Holders of those Third Tier Bonds with funds provided by that Credit Provider to the extent that those reimbursement obligations of the State are secured as Third Tier Bonds by this Master Resolution. Amounts in the Third Tier Debt Service Subaccount shall be pledged to Holders of Third Tier Bonds.

(ii) In the event that on the Business Day preceding any Bond Payment Date the amount in the Third Tier Debt Service Subaccount shall be less than the amount required for payment of the interest on and the principal of the Outstanding Third Tier Bonds due and payable on that Bond Payment Date, the State shall withdraw the amount necessary to increase the amount on deposit in the Third Tier Debt Service Subaccount to the requirement therefor from, in the following order: (1) the Third Tier Debt Service Reserve Subaccount, if any, that secures the applicable Series of Bonds; (2) the Revenue Stabilization Subaccount; (3) if the Bonds are Triple Pledge Bonds, the Motor Vehicle Fuel Taxes and Vehicle-Related Fees held in the Motor Vehicle Fund pledged for the payment of Triple Pledge Bonds, and (4) if the Bonds are Triple Pledge Bonds, any money of the State legally available therefor.

(iii) When Third Tier Bonds are redeemed or purchased, the amount, if any, in the Third Tier Debt Service Subaccount available to pay interest thereon shall be applied to the payment of accrued interest in connection with that redemption or purchase. Whenever the aggregate amount in the Third Tier Debt Service Subaccount and the Third Tier Debt Service Reserve Subaccounts is sufficient to redeem all of the Outstanding Third Tier Bonds and to pay interest accrued to the redemption date, the State shall redeem all Third Tier Bonds on the applicable redemption date. Any amounts remaining in the Third Tier Debt Service Subaccount and the Third Tier Debt Service Reserve Subaccounts after payment in full of the principal or redemption price, premium, if any, and interest on the Third Tier Bonds (or provision for payment thereof) and the fees, charges and expenses of the State, including all amounts owed to the Credit Providers, if any, and the Bond Registrar, shall be paid to the Toll Facilities Account.

(b) *Third Tier Debt Service Reserve Subaccounts.*

(i) Pursuant to any Bond Sale Resolution providing for the issuance of a Series of Third Tier Bonds, the Committee may:

- (1) provide that the Series will be secured by the Third Tier Common Debt Service Reserve Subaccount,
- (2) establish a Series Debt Service Reserve Subaccount, which shall have its own Debt Service Reserve Requirement, and provide that

the Series will be secured by that Series Debt Service Reserve Subaccount, or

- (3) provide that the Series will not be secured by any Debt Service Reserve Subaccount.

(ii) Subject to the provisions of Section 6.09(a), amounts in a Third Tier Debt Service Reserve Subaccount shall be used to pay debt service on the Third Tier Bonds secured by that Third Tier Debt Service Reserve Subaccount on the date such debt service is due when sufficient funds for that purpose are not available in the Third Tier Debt Service Subaccount. Amounts in a Third Tier Debt Service Reserve Subaccount shall be pledged to Holders of Third Tier Bonds in accordance with Section 6.09(a)(i) and as set forth in the applicable Bond Sale Resolution for each Series of Third Tier Bonds.

(iii) In lieu of or in addition to cash or investments, at any time the State may cause to be deposited to the credit of a Third Tier Debt Service Reserve Subaccount any form of Credit Facility, in an amount up to the related Debt Service Reserve Requirement, irrevocably payable to the State as beneficiary for the Holders of the Third Tier Bonds secured by that Third Tier Debt Service Reserve Subaccount, provided that the State Treasurer has received evidence satisfactory to it that (1) at the time of the initial delivery of the Credit Facility the Credit Provider has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (2) the obligation of the State to pay the fees of and to reimburse the Credit Provider is subordinate to its obligation to pay debt service on the Third Tier Bonds, (3) the initial term of the Credit Facility is at least 24 months, (4) except as provided in the next sentence of this subsection, the only condition to a drawing under the Credit Facility is insufficient amounts in the Third Tier Debt Service Subaccount when needed to pay debt service on the Third Tier Bonds secured by that Third Tier Debt Service Reserve Subaccount or the expiration of the Credit Facility, and (5) the Credit Provider is required to notify the State at least 18 months prior to expiration of the Credit Facility. If (A) the State receives an expiration notice with respect to the Credit Facility and the Credit Provider does not extend the expiration date of the Credit Facility or (B) the State receives notice of the termination of the Credit Facility, the State shall (X) provide a substitute Credit Facility that meets the requirements set forth in the foregoing sentences, (Y) deposit the applicable Debt Service Reserve Requirement to that Third Tier Debt Service Reserve Subaccount (1) in the manner provided in the Bond Sale Resolution pursuant to which such Third Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, or (Z) draw on the Credit Facility in the amount of the related Debt Service Reserve Requirement (1) in the manner provided in the Bond Sale Resolution pursuant to which such Third Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, and deposit those draw proceeds in the Third Tier Debt Service Reserve Subaccount.

(iv) Amounts, if any, released from a Third Tier Debt Service Reserve Subaccount upon deposit to the credit of that Third Tier Debt Service Reserve Subaccount of a Credit Facility pursuant to subsection (iii) of this section shall, upon designation by the WSDOT Representative, and only if accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds secured by the relevant Third Tier Debt Service Reserve Subaccount that are Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or federal tax credits by the

Beneficial Owners in respect of any Bonds secured by the relevant Third Tier Debt Service Reserve Subaccount that are Tax-Advantaged Bonds, be transferred (1) to the Third Tier Debt Service Subaccount and used to pay principal of or to redeem those Third Tier Bonds or (2) to the Bond Proceeds Subaccount with respect to the applicable Series of Third Tier Bonds, and used for payment of Costs of the Project financed by that Series.

(v) In the event that the State has withdrawn money from, or drawn on a Credit Facility in, a Third Tier Debt Service Reserve Subaccount for the purpose of paying principal and interest on the Third Tier Bonds when due, the State shall replenish the amount on deposit, or reinstate the Credit Facility, as applicable, in the applicable Third Tier Debt Service Reserve Subaccount in accordance with Section 6.11 until such amount is equal to the Debt Service Reserve Requirement for Third Tier Bonds to which that Third Tier Debt Service Reserve Subaccount is pledged.

Section 6.10 Fourth Tier Subaccounts

(a) *Fourth Tier Debt Service Subaccount.*

(i) Amounts in the Fourth Tier Debt Service Subaccount shall be used to pay the principal of and interest on the Fourth Tier Bonds when due in accordance with the terms of the Bond Sale Resolution creating each Series of Fourth Tier Bonds. However, if so provided in the Bond Sale Resolution creating a Series of Fourth Tier Bonds, while there is a Credit Facility in effect with respect to that Series of Fourth Tier Bonds, amounts in the Fourth Tier Debt Service Subaccount may be used to reimburse the Credit Provider of that Credit Facility for interest, principal or redemption payments, respectively, made to Holders of those Fourth Tier Bonds with funds provided by that Credit Provider to the extent that those reimbursement obligations of the State are secured as Fourth Tier Bonds by this Master Resolution. Amounts in the Fourth Tier Debt Service Subaccount shall be pledged to Holders of Fourth Tier Bonds.

(ii) In the event that on the Business Day preceding any Bond Payment Date the amount in the Fourth Tier Debt Service Subaccount shall be less than the amount required for payment of the interest on and the principal of the Outstanding Fourth Tier Bonds due and payable on that Bond Payment Date, the State shall withdraw the amount necessary to increase the amount on deposit in the Fourth Tier Debt Service Subaccount to the requirement therefor from, in the following order: (1) the Fourth Tier Debt Service Reserve Subaccount, if any, that secures the applicable Series of Bonds; (2) the Revenue Stabilization Subaccount; (3) if the Bonds are Triple Pledge Bonds, the Motor Vehicle Fuel Taxes and Vehicle-Related Fees held in the Motor Vehicle Fund pledged for the payment of Triple Pledge Bonds, and (4) if the Bonds are Triple Pledge Bonds, any money of the State legally available therefor.

(iii) When Fourth Tier Bonds are redeemed or purchased, the amount, if any, in the Fourth Tier Debt Service Subaccount available to pay interest thereon shall be applied to the payment of accrued interest in connection with that redemption or purchase. Whenever the aggregate amount in the Fourth Tier Debt Service Subaccount and the Fourth Tier Debt Service Reserve Subaccounts is sufficient to redeem all of the Outstanding Fourth Tier Bonds and to pay interest accrued to the redemption date, the State shall redeem all such Fourth Tier Bonds on the applicable redemption date. Any amounts remaining in the Fourth Tier Debt Service Subaccount

and the Fourth Tier Debt Service Reserve Subaccounts after payment in full of the principal or redemption price, premium, if any, and interest on the Fourth Tier Bonds (or provision for payment thereof) and the fees, charges and expenses of the State, including all amounts owed to the Credit Providers, if any, and the Bond Registrar, shall be paid to the Toll Facilities Account.

(b) *Fourth Tier Debt Service Reserve Subaccounts.*

(i) Pursuant to any Bond Sale Resolution providing for the issuance of a Series of Fourth Tier Bonds, the Committee may:

- (1)** provide that the Series will be secured by the Fourth Tier Common Debt Service Reserve Subaccount,
- (2)** establish a Series Debt Service Reserve Subaccount, which shall have its own Debt Service Reserve Requirement, and provide that the Series will be secured by that Series Debt Service Reserve Subaccount, or
- (3)** provide that the Series will not be secured by any Debt Service Reserve Subaccount.

(ii) Subject to the provisions of Section 6.10(a), amounts in a Fourth Tier Debt Service Reserve Subaccount shall be used to pay debt service on the Fourth Tier Bonds secured by that Fourth Tier Debt Service Reserve Subaccount on the date such debt service is due when sufficient funds for that purpose are not available in the Fourth Tier Debt Service Subaccount. Amounts in the Fourth Tier Debt Service Reserve Subaccount shall be pledged to Holders of Fourth Tier Bonds in accordance with Section 6.10(b)(i) and as set forth in the applicable Bond Sale Resolution for each Series of Fourth Tier Bonds

(iii) In lieu of or in addition to cash or investments, at any time the State may cause to be deposited to the credit of a Fourth Tier Debt Service Reserve Subaccount any form of Credit Facility, in an amount up to the related Debt Service Reserve Requirement, irrevocably payable to the State as beneficiary for the Holders of the Fourth Tier Bonds secured by that Fourth Tier Debt Service Reserve Subaccount, provided that the State Treasurer has received evidence satisfactory to it that (1) at the time of the initial delivery of the Credit Facility the Credit Provider has a credit rating in one of the two highest credit rating categories by two Rating Agencies, (2) the obligation of the State to pay the fees of and to reimburse the Credit Provider is subordinate to its obligation to pay debt service on the Fourth Tier Bonds, (3) the initial term of the Credit Facility is at least 24 months, (4) except as provided in the next sentence of this subsection, the only condition to a drawing under the Credit Facility is insufficient amounts in the Fourth Tier Debt Service Subaccount when needed to pay debt service on the Fourth Tier Bonds secured by that Fourth Tier Debt Service Reserve Subaccount or the expiration of the Credit Facility, and (5) the Credit Provider is required to notify the State at least 18 months prior to expiration of the Credit Facility. If (A) the State receives an expiration notice with respect to the Credit Facility and the Credit Provider does not extend the expiration date of the Credit Facility or (B) the State receives notice of the termination of the Credit Facility, the State shall (X) provide a substitute Credit Facility that meets the requirements set forth in the foregoing sentences, (Y) deposit the applicable

Debt Service Reserve Requirement to that Fourth Tier Debt Service Reserve Subaccount (1) in the manner provided in the Bond Sale Resolution pursuant to which such Fourth Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, or (Z) draw on the Credit Facility in the amount of the related Debt Service Reserve Requirement (1) in the manner provided in the Bond Sale Resolution pursuant to which such Fourth Tier Bonds are issued, or (2) prior to the termination date in the case of receipt of a termination notice, and deposit those draw proceeds in the Fourth Tier Debt Service Reserve Subaccount.

(iv) Amounts, if any, released from a Fourth Tier Debt Service Reserve Subaccount upon deposit to the credit of that Fourth Tier Debt Service Reserve Subaccount of a Credit Facility pursuant to subsection (iii) of this section shall, upon designation by the WSDOT Representative, and only if accompanied by an Opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds secured by the relevant Fourth Tier Debt Service Reserve Subaccount that are Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or federal tax credits by the Beneficial Owners in respect of any Bonds secured by the relevant Fourth Tier Debt Service Reserve Subaccount that are Tax-Advantaged Bonds, be transferred (1) to the Fourth Tier Debt Service Subaccount and used to pay principal of or to redeem those Fourth Tier Bonds or (2) to the Bond Proceeds Subaccount with respect to the applicable Series of Fourth Tier Bonds, and used for payment of Costs of the Project financed by that Series.

(v) In the event that the State has withdrawn money from, or drawn on a Credit Facility in, a Fourth Tier Debt Service Reserve Subaccount for the purpose of paying principal and interest on the Fourth Tier Bonds when due, the State shall replenish the amount on deposit, or reinstate the Credit Facility, as applicable, in the applicable the Fourth Tier Debt Service Reserve Subaccount in accordance with Section 6.11 until such amount is equal to the Debt Service Reserve Requirement for Fourth Tier Bonds to which that Fourth Tier Debt Service Reserve Subaccount is pledged.

Section 6.11 Flow of Funds

Amounts in the Toll Facilities Account (excluding amounts in the Revenue Stabilization Subaccount, Repair and Replacement Reserve Subaccount, Bond Proceeds Subaccount, and Deferred Sales Tax Subaccount) shall be applied solely for the purposes, in the amounts, and at the times set forth in this Section 6.11. Each month, the State shall make payments and transfer or reserve funds, as applicable, in the order of priority set forth below, but as to each purpose, only within the limitations with respect thereto and only after payment has been brought current for every preceding purpose described in the following listing. To the extent that amounts available in the Toll Facilities Account are sufficient only to partially provide for one the purposes described in (b), (c), (d), (e), (f), (g), (h), or (i), the available amount shall be allocated on a pro rata basis among the Series of Bonds in the applicable Tier. For purposes of this Section 6.11, Accreted Value shall be treated as “principal.”

(a) Each month, to pay the Operating and Maintenance Expenses.

(b) On or before the last Business Day of each calendar month, to the First Tier Debt Service Subaccount, the following amounts with respect to each Series of First Tier Bonds, taking into account amounts already on deposit therein:

(i) If interest (or Hedge Payments) on the Series of First Tier Bonds is payable monthly, an amount equal to the interest (or Hedge Payments) coming due on that Series of First Tier Bonds on the next succeeding Bond Interest Payment Date for that Series;

(ii) If interest (or Hedge Payments) on the Series of First Tier Bonds is payable semiannually, an amount equal to one-sixth of the amount of interest coming due on that Series of First Tier Bonds in the next succeeding six months; and

(iii) One-twelfth of the principal of the Series of First Tier Bonds coming due in the next succeeding twelve months by reason of mandatory sinking fund redemption or maturity.

Notwithstanding the foregoing, with respect to (ii) and (iii) above, installments of interest, Hedge Payments or principal, as applicable, with respect to the amounts due on the first Bond Interest Payment Date or Bond Principal Payment Date for a Series may be adjusted as set forth in the applicable Bond Sale Resolution.

(c) On or before the last Business Day of each calendar month, to the First Tier Debt Service Reserve Subaccounts the amount, if any, necessary to restore the amounts on deposit therein to the applicable Debt Service Reserve Requirement(s), or to reimburse a Credit Provider for the draw on a Credit Facility in the First Tier Debt Service Reserve Subaccount; provided that such amount shall be deposited in 12 equal, consecutive, monthly installments, the first such installment to be due in the calendar month next succeeding the month in which the applicable deficiency arose.

(d) On or before the last Business Day of each calendar month, to the Second Tier Debt Service Subaccount, the following amounts with respect to each Series of Second Tier Bonds, taking into account amounts already on deposit therein:

(i) If interest (or Hedge Payments) on the Series of Second Tier Bonds is payable monthly, an amount equal to the interest (or Hedge Payments) coming due on that Series of Second Tier Bonds on the next succeeding Bond Interest Payment Date for that Series;

(ii) If interest (or Hedge Payments) on the Series of Second Tier Bonds is payable semiannually, an amount equal to one-sixth of the amount of interest (or Hedge Payments) coming due on that Series in the next succeeding six months; and

(iii) One-twelfth of the principal of the Series of Second Tier Bonds coming due in the next succeeding twelve months by reason of mandatory sinking fund redemption or maturity.

Notwithstanding the foregoing, with respect to (ii) and (iii) above, installments of interest, Hedge Payments or principal, as applicable, with respect to the amounts due on the first Bond Interest Payment Date or Bond Principal Payment Date for a Series may be adjusted as set forth in the applicable Bond Sale Resolution.

(e) On or before the last Business Day of each calendar month, to the Second Tier Debt Service Reserve Subaccounts the amount, if any, necessary to restore the amounts on deposit therein to the applicable Debt Service Reserve Requirement(s), or to reimburse a Credit Provider for the draw on a Credit Facility in the Second Tier Debt Service Reserve Subaccount; provided that such amount shall be deposited in 12 equal, consecutive, monthly installments, the first such installment to be due in the calendar month next succeeding the month in which the applicable deficiency arose.

(f) On or before the last Business Day of each calendar month, to the Third Tier Debt Service Subaccount, the following amounts with respect to each Series of Third Tier Bonds, taking into account amounts already on deposit therein:

(i) If interest (or Hedge Payments) on the Series of Third Tier Bonds is payable monthly, an amount equal to the interest (or Hedge Payments) coming due on that Series of Third Tier Bonds on the next succeeding Bond Interest Payment Date for that Series;

(ii) If interest (or Hedge Payments) on the Series of Third Tier Bonds is payable semiannually, an amount equal to one-sixth of the amount of interest (or Hedge Payments) coming due on that Series in the next succeeding six months; and

(iii) One-twelfth of the principal of the Series of Third Tier Bonds coming due in the next succeeding twelve months by reason of mandatory sinking fund redemption or maturity.

Notwithstanding the foregoing, with respect to (ii) and (iii) above, installments of interest, Hedge Payments or principal, as applicable, with respect to the amounts due on the first Bond Interest Payment Date or Bond Principal Payment Date for a Series may be adjusted as set forth in the applicable Bond Sale Resolution.

(g) On or before the last Business Day of each calendar month, to the Third Tier Debt Service Reserve Subaccounts the amount, if any, necessary to restore the amounts on deposit therein to the applicable Debt Service Reserve Requirement(s), or to reimburse a Credit Provider for the draw on a Credit Facility in the Third Tier Debt Service Reserve Subaccount; provided that such amount shall be deposited in 12 equal, consecutive, monthly installments, the first such installment to be due in the calendar month next succeeding the month in which the applicable deficiency arose.

(h) On or before the last Business Day of each calendar month, to the Fourth Tier Debt Service Subaccount, the following amounts with respect to each Series of Fourth Tier Bonds, taking into account amounts already on deposit therein:

(i) If interest (or Hedge Payments) on the Series of Fourth Tier Bonds is payable monthly, an amount equal to the interest (or Hedge Payments) coming due on that Series of Fourth Tier Bonds on the next succeeding Bond Interest Payment Date for that Series;

(ii) If interest (or Hedge Payments) on the Series of Fourth Tier Bonds is payable semiannually, an amount equal to one-sixth of the amount of interest (or Hedge Payments) coming due on such Series of Fourth Tier Bonds in the next succeeding six months; and

(iii) One-twelfth of the principal of the Series of Fourth Tier Bonds coming due in the next succeeding twelve months by reason of mandatory sinking fund redemption or maturity.

Notwithstanding the foregoing, with respect to (ii) and (iii) above, installments of interest, Hedge Payments or principal, as applicable, with respect to the amounts due on the first Bond Interest Payment Date or Bond Principal Payment Date for a Series may be adjusted as set forth in the applicable Bond Sale Resolution.

(i) On or before the last Business Day of each calendar month, to the Fourth Tier Debt Service Reserve Subaccounts the amount, if any, necessary to restore the amounts on deposit therein to the applicable Debt Service Reserve Requirement(s), or to reimburse a Credit Provider for the draw on a Credit Facility in the Fourth Tier Debt Service Reserve Subaccount; provided that such amount shall be deposited in 12 equal, consecutive, monthly installments, the first such installment to be due in the calendar month next succeeding the month in which the applicable deficiency arose.

(j) On or before the last Business Day of each calendar month, to the Deferred Sales Tax Subaccount one-twelfth of the amount required to be deposited, taking into account the balance on deposit in the Deferred Sales Tax Subaccount, in the next twelve months in order to amortize each Deferred Sales Tax Obligation not less rapidly than required by the applicable statute granting a deferral of state and local sales and use taxes for a Project.

(k) On or before the last Business Day of each calendar month, to the Motor Vehicle Fund the amount, if any, required to repay the Motor Vehicle Fuel Taxes and Vehicle-Related Fees that have been used to date to pay principal of and interest on any Triple Pledge Bonds, in accordance with Section 7.01(c)(iv).

(l) On or before the last Business Day of each calendar month, to the Repair and Replacement Reserve Subaccount, the amount, if any, equal to one-twelfth of the amount therefor set forth in the annual System Budget, as determined in accordance with Section 6.04.

(m) Within 120 days after the end of each Fiscal Year, to the Revenue Stabilization Subaccount the amount, if any, to be deposited therein pursuant to Section 6.03.

(n) Each month, funds for the construction and completion of the I-405 and SR 167 Corridor Program and any other Project financed in whole or in part with proceeds of Bonds in conformity with law, as reflected in the System Budget and approved by the WSDOT Representative.

(o) To any proper purpose of the System.

Section 6.12 Payment Procedures

(a) On or before June 30 of each year, the Committee shall provide a certificate to the State Treasurer stating the amount of Toll Revenue, Motor Vehicle Fuel Taxes and Vehicle-Related Fees that will be required to pay principal of and interest on the Outstanding Bonds in the next Fiscal Year. The amount of Toll Revenue, Motor Vehicle Fuel Taxes, and Vehicle-Related Fees required in connection with the payments due prior to the start of the next Fiscal Year shall

be identified in a certificate provided by the Committee to the State Treasurer within thirty days following the date of sale of a Series of Bonds. The State Treasurer, subject to the applicable provisions of the Bond Act, shall withdraw revenues from the Toll Facilities Account and, if required, from the Motor Vehicle Fund, and deposit in the applicable subaccounts in the Toll Facility Bond Retirement Account on or before each Bond Payment Date such amounts as are required to pay debt service on the Outstanding Bonds. Nothing in this Section 6.12 limits the obligations of the State under this Master Resolution to provide for the payment of Bonds that are Triple Pledge Bonds from any money of the State legally available therefor.

(b) Any amounts received from the Federal government as Federal Credit Payments with respect to Bonds issued as Tax-Advantaged Bonds shall be deposited in the related Debt Service Subaccount.

(c) On or before the date payments are due, the State Treasurer shall pay to the Bond Registrar, from money in the Toll Facility Bond Retirement Account, sums sufficient to pay the principal of and interest coming due on Bonds then Outstanding. For purposes of this Section 6.12, principal of the Outstanding Bonds shall be considered as coming due on their respective dates of maturity or, in the case of Term Bonds, on the dates and in the amounts scheduled for their mandatory redemption. The amount required to be deposited into the Toll Facility Bond Retirement Account and paid to the Bond Registrar, for purposes of effecting the payment of the Bonds or the mandatory redemption of Term Bonds, is subject to reduction arising from the State's purchase or optional redemption of the Bonds in the manner described in Article III of this Master Resolution.

(d) Any surplus money in the Toll Facility Bond Retirement Account may, in the discretion of the Committee, be used to redeem or purchase in the open market any Bonds payable from the Toll Facility Bond Retirement Account (subject to applicable bond covenants) prior to scheduled maturities or may remain in the Toll Facility Bond Retirement Account to reduce the transfers to the Toll Facility Bond Retirement Account of Toll Revenue and Motor Vehicle Fuel Taxes, if any, otherwise required to pay Annual Debt Service on Outstanding Bonds.

Section 6.13 Investment of Funds

All money in the various accounts and subaccounts created under this Article VI must be invested in legal investments of the State.

Article VII BOND COVENANTS

Section 7.01 Establishment and Collection of Tolls

The State, acting by and through the Tolling Authority, covenants to set and adjust the Toll Rate Schedule and maintain Tolls on the I-405 and SR 167 Toll Lanes and on any Additional Eligible Toll Facilities at rates that will generate Toll Revenue sufficient to pay Operating and Maintenance Expenses; to pay, when due, the principal of and interest on all Outstanding Bonds; and to meet the State's financial and other covenants under this Master Resolution and applicable law.

The Committee on behalf of the State pledges that the State shall continue in effect and not impair or withdraw the power delegated to the Tolling Authority to set, adjust and maintain Tolls on the System as provided in this Master Resolution and in the Toll Facilities Act, including the specific provisions of RCW 47.56.850 in effect as of the date of this Master Resolution, as set forth below:

(a) Set toll rates, establish appropriate exemptions, if any, and make adjustments as conditions warrant on Eligible Toll Facilities that are included in the System.

(b) Review toll collection policies, toll operations policies, and toll revenue expenditures on the Eligible Toll Facilities that are included in the System and report annually on this review to the Legislature.

(c) In setting and periodically adjusting toll rates, the Tolling Authority shall ensure that toll rates will generate revenue at least sufficient to:

(i) Provide for the Operating and Maintenance Expenses of the Eligible Toll Facilities that are included in the System;

(ii) Meet obligations for the timely deposit of required amounts into the Debt Service Subaccounts and timely payment of debt service on Bonds (including Hedge Payments), and for any other associated financing costs including, but not limited to, Debt Service Reserve Requirements, the minimum debt coverage covenants of Section 7.02, deposits into the Repair and Replacement Reserve Subaccount, and other payments required to comply with all financial and other covenants made by the State in this Master Resolution, in any Bond Sale Resolution and in other proceedings related to the issuance of Bonds;

(iii) Meet other anticipated funding obligations of the System, giving due regard to the Projected Toll Rate Sufficiency Analysis provided to the Tolling Authority by WSDOT and the State Treasurer pursuant to Section 7.03(b) of this Master Resolution;

(iv) Unless otherwise directed by the Legislature, to meet obligations to reimburse the Motor Vehicle Fund for Motor Vehicle Fuel Taxes and Vehicle Related Fees applied to the payment of Triple Pledge Bonds. Unless otherwise directed by the Legislature or determined by agreement of the Treasurer Representative and the WSDOT Representative, each advance of Motor Vehicle Fuel Taxes and/or Vehicle Related Fees for the payment of Triple Pledge Bonds shall be repaid in 36 monthly installments commencing in the sixth calendar month following the date such advance is made. Each installment shall be in an amount equal to one-thirty-sixth of the amount of the related advance; provided, however, that the final installment shall be in an amount equal to the entire then-outstanding amount of such advance;

(d) The schedule of toll rates must be set by the Tolling Authority. Tolls should be set to maintain and optimize System performance, recognizing the need to maintain a financially prudent balance between System performance and the generation of revenue required for the purposes specified in (c), above. Tolls may vary for type of vehicle, time of day, traffic conditions, or other factors designed to improve performance of the System. Toll rates within the schedule may vary in amount by time of day, level of traffic congestion, or other criteria, as the Tolling Authority deems appropriate.

(e) In fixing and adjusting toll rates, the only Toll Revenue to be taken into account shall be Toll Revenue pledged to Bonds that includes Toll receipts, and the only debt service requirements to be taken into account must be debt service on Bonds payable from and secured by Toll Revenue that includes Toll receipts.

(f) The Legislature has pledged in RCW 47.56.850 to appropriate Toll Revenue as necessary to carry out the purposes of that section. When the Legislature has specifically identified and designated an Eligible Toll Facility that has been designated as an Additional Eligible Toll Facility hereunder and authorized the issuance of Bonds for the financing of the Eligible Toll Facility that are payable from and secured by a pledge of Toll Revenue, the Legislature has further agreed for the benefit of the Bondholders of outstanding Bonds issued by the State for Eligible Toll Facilities to continue in effect and not to impair or withdraw the authorization of the Tolling Authority to fix and adjust tolls as provided in RCW 47.56.850. The Legislature has also provided for pledges relating to the setting of Tolls in RCW 47.10.906 and in RCW 47.56.880(2)(a). The Committee pledges, to Bondholders, the State's obligation to impose and maintain tolls, together with the application of Toll Revenue as described herein and in the provisions of RCW 47.56.850, RCW 47.10.906, and RCW 47.56.880(2)(a), in effect as of the date of this Master Resolution.

Section 7.02 Rate Covenant

(a) The Tolling Authority shall establish, and WSDOT shall charge and collect, Tolls for the privilege of traveling on the System at rates sufficient to meet the Operating and Maintenance Expenses and to produce in each Fiscal Year in which any Bonds are Outstanding Net Revenues that are in an amount at least equal to (i), (ii), (iii), (iv) and (v):

(i) 150% of the Annual Debt Service with respect to all Outstanding First Tier Bonds;

(ii) 135% of the Annual Debt Service with respect to all Outstanding First Tier Bonds and Second Tier Bonds;

(iii) 125% of the Annual Debt Service with respect to all Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds;

(iv) 110% of the Annual Debt Service with respect to all Outstanding Bonds;
and

(v) 100% of the Annual Debt Service with respect to all Outstanding Bonds and all other deposits required by subsections (c), (e), (g) and (i) through (l) of Section 6.11 to the extent such deposits must be paid with Toll Revenue and have not been otherwise paid or provided for from Bond proceeds or other available funds.

(b) The Tolling Authority will at least annually prior to the last Business Day of each Fiscal Year review the financial condition of the System, the anticipated Operating and Maintenance Expenses, Debt Service Requirements, various reserves and other costs of the System, and proceed in a timely fashion to review and adjust the Toll Rate Schedule as it determines is necessary to comply with subsection (a) above, provide sufficient Toll Revenue to

fund amounts required to be deposited and maintained in the Toll Facilities Account and subaccounts therein, and comply with other relevant covenants in this Master Resolution.

(c) Prior to adopting any revision in its Toll Rate Schedule, the State, through the Tolling Authority, shall obtain: (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions and applying the revised Toll Rate Schedule, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all then-Outstanding Bonds, (B) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds, and (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the adoption of the revised Toll Rate Schedule will not cause the State to fail to comply with its covenants in this Section 7.02.

Any certificate delivered by the Traffic Consultant pursuant to this Section 7.02(c) shall be based on the opinion of the Traffic Consultant as to Toll Revenue to be derived by the State from the ownership and operation of the System (provided that investment and other income not related to Tolls that constitute Toll Revenue of the System, shall be estimated by the WSDOT Representative), and a certificate of the WSDOT Representative stating the opinion of WSDOT as to the amount of Operating and Maintenance Expenses paid or accrued during any pertinent Fiscal Year, assuming that the proposed Toll Rate Schedule had been in effect during the pertinent Fiscal Year.

(d) The failure of the System in any Fiscal Year to produce Toll Revenue in the amounts sufficient to enable the State to comply with subsection (a) above, which failure may continue during the succeeding Fiscal Year, shall not, in and of itself, constitute an Event of Default under this Master Resolution if (1) WSDOT within 60 days after the end of the Fiscal Year requests the written recommendations of the Traffic Consultant as to how to increase Toll Revenue to the level required to comply with subsection (a) above, beginning with the first Fiscal Year following such failure, (2) within 60 days of the date of the request from WSDOT, the Traffic Consultant provides to WSDOT, the State Treasurer and the Tolling Authority the written recommendations described in clause (1), and (3) the Tolling Authority takes steps to implement those recommendations within 60 days after receipt thereof and diligently proceeds to substantially comply with the recommendations of the Traffic Consultant.

(e) Notwithstanding anything herein to the contrary, if (1) the System is unable to produce Toll Revenue in the amounts sufficient to enable the State to comply with subsection (a) above for any Fiscal Year as a result of a Force Majeure Event, and (2) WSDOT, the State Treasurer or the Tolling Authority, as applicable, delivers to each of the others a certificate stating the nature of the Force Majeure Event and describing the steps WSDOT, the State Treasurer and/or the Tolling Authority, as applicable, is taking with respect to the Toll Rate Schedule, Operating and Maintenance Expenses, Debt Service Requirements, various reserves, methods of operation, and other factors affecting the financial performance of the System to increase the ratio of Net Revenues to Annual Debt Service in the following Fiscal Year, the WSDOT shall not be required to retain a Traffic Consultant, and the Tolling Authority shall not be required to implement recommendations of a Traffic Consultant, each as contemplated by subsection (d) hereof.

(f) Notwithstanding anything in this Section 7.02 to the contrary, WSDOT shall not be required to request the written recommendations of the Traffic Consultant as to how to increase Toll Revenue as referred to in clauses (d) above more frequently than once every two Fiscal Years.

Section 7.03 Operating and Capital Budgets for the System

(a) The State covenants that it will for each Fiscal Year in each Biennium prepare and adopt a System Budget for Operating and Maintenance Expenses, for Annual Debt Service, for capital repairs and replacements, and for other costs of the System, and that the System Budget shall be prepared in consultation with WSDOT and shall provide for amounts sufficient to comply with the covenants in this Article VII. The Committee, as directed by the Legislature, pledges that the Legislature will appropriate Toll Revenue required under the System Budget.

(b) In conjunction with the preparation of each System Budget, the State, acting by and through WSDOT and the State Treasurer and in consultation with the Traffic Consultant, shall prepare and submit Projected Toll Rate Sufficiency Analysis to the Tolling Authority for its review and consideration in setting and adjusting Tolls. The Projected Toll Rate Sufficiency Analysis shall include but not be limited to (1) an estimate of the Toll Revenue that will be required under the System Budget; (2) an estimate of the Toll Revenue that will be required under the long-term capital and operating finance plans for the System, including but not limited to projected increases in Toll Revenue that will be required as the result of estimated future changes in Operating and Maintenance Expenses and scheduled or anticipated future changes in Annual Debt Service requirements of the System; (3) a determination of the amount of a financially prudent working capital reserve that should be maintained for System operations; and (4) the related proposed schedule or schedules (which may include alternative schedules) of Toll rates that are projected to be necessary to produce Toll Revenue required for the System Budget, the long-term capital and operating finance plans for the System, and a financially prudent working capital reserve for System operations. Nothing in this Section 7.03(b) shall preclude more frequent submissions of Projected Toll Rate Sufficiency Analysis to the Tolling Authority.

Section 7.04 Operation and Maintenance of the System

The State covenants that (1) it will maintain and operate the System in an efficient and economical manner, (2) it will maintain the System in good repair and will make all necessary repairs, renewals and replacements, to the extent funds are available therefor; and (3) it will comply with laws and all rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System, subject to the right of the State to contest the same in good faith and by appropriate legal proceedings.

Section 7.05 Construction and Completion of I-405 and SR 167 Corridor Program and Other Projects

The State covenants that it will proceed with diligence to (1) construct and complete the I-405 and SR 167 Corridor Program and any other Project financed with Bonds to the extent authorized by applicable law, and in conformity with law, with all requirements of governmental authorities having jurisdiction and the policies, rules and regulations of the State and (2) enforce

any contracts relating to the construction of the I-405 and SR 167 Corridor Program and any other Project financed with Bonds.

Section 7.06 Engagement of Consultants

The State covenants to employ a traffic and revenue consultant or firm of traffic and revenue consultants of national recognition with expertise and experience in the operation, management and financing of, and collection of revenues from, toll roads to perform any functions of the Traffic Consultant hereunder. The State further covenants to employ an independent engineer or engineering firm, in each case experienced in determining the costs of operations and maintenance and costs of repair and replacement of facilities similar to the Eligible Toll Facilities if and to the extent any functions are required to be performed by a Consulting Engineer hereunder.

Section 7.07 Insurance

The State covenants that it will keep the System and its use and operation thereof insured (including through self-insurance programs) at all times in such amounts, subject to such exceptions and deductibles and against such risks, as are customary for similar facilities, including business interruption insurance. All insurance policies shall be carried with a responsible insurance company or companies authorized to do business in the State or shall be provided under a self-insurance program. In connection with the initial establishment of a self-insurance program, the State shall obtain a written opinion of an accredited actuary that the program is actuarially sound. At any time and from time to time, the State may elect to terminate self-insurance of a given type. Upon making such election, the State shall obtain and maintain comparable commercial insurance.

The State covenants that it will take actions as it deems necessary to demand, collect and sue for any proceeds that may become due and payable to it under any insurance policy in respect of occurrences related to the System. To the extent that the State receives insurance payments under a business interruption insurance policy, those amounts shall be deposited into the Toll Facilities Account. To the extent that the State receives liquidated damages for delayed completion under a construction contract relating to the acquisition or construction of a Project, those amounts shall be deposited into the Toll Facilities Account.

Section 7.08 Damage or Destruction

Immediately after any damage to or destruction of any part of the System that materially adversely affect the Toll Revenue, the State will promptly cause the repair, reconstruction or replacement of the damaged or destroyed property or take reasonable measures to otherwise ameliorate the adverse impact on Toll Revenue; provided, however, nothing in this Section shall require the State to expend, for that repair, reconstruction, replacement or other remedial measures any amounts other than Toll Revenue, insurance proceeds and Bond proceeds available therefor, and any other funds available for those purposes under this Master Resolution.

Section 7.09 Financial Records and Statements

The State covenants that it will maintain books and accounts reflecting the operations of the System separately from other accounts, in accordance with Accounting Principles. The books and records of the System may form a part of the books and records of the State but shall be

maintained as separate accounts. The State shall maintain accurate records showing all collections of Tolls and Motor Vehicle Fuel Taxes levied pursuant to Chapter 82.38 RCW, all collections of Vehicle-Related Fees, and all payments made into and out of the Toll Facilities Account and the Toll Facility Bond Retirement Account, and those records shall be made available for inspection at any reasonable time by the Holders of any of the Outstanding Bonds.

In addition, the State covenants that no later than 150 days after the last day of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2026, it will prepare or cause to be prepared a financial report of the System for that Fiscal Year (all or a portion of which may be part of the State's comprehensive annual financial report) in accordance with Accounting Principles, containing independently audited financial statements and the independent auditor's report on the financial statements for the end of that Fiscal Year.

Section 7.10 Sale, Lease or Other Disposition of Property Comprising Eligible Toll Facilities

(a) The State covenants so long as any Bonds are Outstanding under this Master Resolution that it will not sell or otherwise dispose of any real property comprising a portion of the System (a "disposition") unless:

(i) the WSDOT Representative determines, as evidenced by a certificate filed with the Tolling Authority, that such property (1) is no longer used or useful in the operation of the System or in the generation of Toll Revenue or (2) is to be or has been replaced by other property; or

(ii) the WSDOT Representative determines, as evidenced by a certificate filed with the Tolling Authority, that the disposition will not materially adversely affect the Toll Revenue; or

(iii) there shall be on file with the Tolling Authority:

- (1) a certificate of the Traffic Consultant stating, based upon reasonable assumptions, the projected Toll Revenue following the proposed disposition (taking into account changes in Toll Revenue, if any, expected as a result of the proposed disposition) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds;
- (2) a certificate of the Consulting Engineer or WSDOT Representative stating, based upon reasonable assumptions, the estimated Operating and Maintenance Expenses following the proposed disposition (taking into account any changes in Operating and Maintenance Expenses, if any, expected as a result of the proposed disposition) for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds; and

- (3) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (1) and (2) above, the projected Net Revenues following the proposed disposition for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds will be equal to or greater than (i) 250% of Annual Debt Service on First Tier Bonds, (ii) 150% of Annual Debt Service on First Tier Bonds and Second Tier Bonds, (iii) 130% of Annual Debt Service on First Tier Bonds, Second Tier Bonds and Third Tier Bonds, (iv) 110% of Annual Debt Service on First Tier Bonds, Second Tier Bonds, Third Tier Bonds and Fourth Tier Bonds; and (v) 100% of the aggregate amount of the required payments described in subsections (b) through (l) of Section 6.11 in the applicable Fiscal Year.

The proceeds of the sale or disposition permitted by this Section 7.10 shall be deposited in the Toll Facilities Account.

(b) The State will not lease any real property comprising a portion of the System unless the WSDOT Representative determines, as evidenced by a certificate filed with the Tolling Authority, that the lease will not materially adversely affect the Toll Revenue.

(c) Without intending to limit the foregoing, but subject to the requirements of Section 7.11, the State also may enter into contracts or other forms of agreement for the use of any real property comprising a portion of the System including, but not limited to, rights-of-way for telephone, telegraph, optic fiber and other forms of communication, electric, gas transmission and other lines, towers, or facilities for utilities, and other uses that do not materially adversely affect the operation of the System and the payments received in connection with the same shall, to the extent permitted by law, constitute Toll Revenue.

(d) Any sale, lease or disposition of property in accordance with this Section 7.10 must also comply with the requirements of Section 7.11.

Section 7.11 Tax Covenants

The Committee on behalf of the State covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds sold and issued as Tax-Exempt Bonds and will take or require to be taken those acts as may be permitted by law and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. Without limiting the generality of the foregoing, the State will comply with Section 148 of the Code, will spend the proceeds of the Bonds with due diligence to completion of the purposes specified herein, will pay any required rebate or penalty (if permitted in lieu of loss of tax exemption) to the United States under Section 148(f) of the Code, and will not invest or make other use of the proceeds of the Tax-Exempt Bonds or of its other money or take any other intentional acts at any time during the term of the Tax-Exempt Bonds that will cause those Tax-Exempt Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code. The State

Treasurer may establish accounts and/or subaccounts as the State Treasurer deems necessary to comply with this section.

The Committee on behalf of the State also covenants that the State will not take or permit to be taken on its behalf any action that would adversely affect the entitlement of the State to receive from the United States Treasury the applicable Federal Credit Payments in respect of Tax-Advantaged Bonds, or the entitlement of the Beneficial Owners to receive tax credits in respect of Tax-Advantaged Bonds.

Article VIII AMENDATORY AND SUPPLEMENTAL RESOLUTIONS

Section 8.01 General

This Master Resolution shall not be modified or amended in any respect while any Bonds are Outstanding, except as provided in and in accordance with and subject to the provisions of this Article VIII. Upon the execution and delivery of any supplemental resolution pursuant to the provisions of this Article, this Master Resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Resolution of the State, the Bond Registrar and all Holders of Outstanding Bonds shall thereafter be determined, exercised and enforced under this Master Resolution subject in all respects to such modifications and amendments.

Section 8.02 Amendments Without Consent of Holders

The Committee on behalf of the State, from time to time, and at any time, without the consent of or notice to the Bondholders of the Outstanding Bonds, may adopt supplemental or amendatory resolutions as follows:

(a) To cure any formal defect, omission, inconsistency or ambiguity in this Master Resolution in a manner not materially adverse to the Holder of any Outstanding Bond;

(b) To impose upon the Bond Registrar (with its consent) for the benefit of the Holders of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Master Resolution as in effect immediately prior to the adoption of the proposed supplemental or amendatory resolution;

(c) To add to the covenants and agreements of, and limitations and restrictions upon, the State in this Master Resolution, other covenants, agreements, limitations and restrictions to be observed by the State which are not contrary or inconsistent with this Master Resolution as in effect immediately prior to the adoption of the proposed supplemental or amendatory resolution;

(d) To confirm, as further assurance, any pledge under, and the subjection to any claim, security or pledge created or to be created by this Master Resolution of any other money, securities or funds;

(e) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this Master Resolution regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(f) To modify, alter, amend or supplement this Master Resolution as required to accommodate any addition of Additional Eligible Toll Facilities to the System that is otherwise permitted under this Master Resolution and which is not materially adverse to the Holders of the Outstanding Bonds;

(g) To modify, alter, amend or supplement this Master Resolution in any other respect which is not materially adverse to the Holders of the Outstanding Bonds and which does not involve a change described in Section 8.03;

(h) To maintain the exclusion from gross income of the interest on the Tax-Exempt Bonds from federal income taxation or to preserve Federal Credit Payments or tax credits with respect to Tax-Advantaged Bonds; and

(i) To add to the covenants and agreements of, and limitations and restrictions upon, the State in this Master Resolution, other covenants, agreements, limitations and restrictions to be observed by the State which are requested by a Credit Provider and which are not materially adverse to the Holders of the Outstanding Bonds.

Section 8.03 Amendments With Consent of Holders

(a) Except for any supplemental resolution entered into pursuant to Section 8.02, subject to the terms and provisions contained in this Section 8.03 and not otherwise, Holders of not less than 60% in aggregate principal amount of the Outstanding Bonds within each Tier shall have the right from time to time to consent to and approve the adoption by the State of any supplemental resolution deemed necessary or desirable by the State for the purpose of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in this Master Resolution; except that, unless approved in writing by the Holders of all Outstanding Bonds, nothing contained in this section shall permit, or be construed as permitting:

(i) A change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bond, or a reduction in the principal amount or redemption price of any Outstanding Bond or a change in the redemption price of any Outstanding Bond or a change in the method of determining the rate of interest thereon, or

(ii) A preference of priority of any Bond or Bonds over any other Bond or Bonds of the same Tier with respect to Toll Revenue, or

(iii) A reduction in the aggregate principal amount of Bonds, the consent of the Holders of Bonds of which is required for the supplemental resolution.

(b) The related Bond Sale Resolution may provide that a person other than the Registered Owner may, for purposes of this Section 8.03, have the right to consent on behalf of all

or a portion of a Series of Bonds, including but not limited to providers of Credit Facilities for a Series of Bonds.

(c) If at any time the State shall notify the Bond Registrar in writing of its desire to enter into any supplemental or amendatory resolution for any of the purposes of this Section 8.03, the Bond Registrar shall, within 30 days of its receipt of such notice to that effect, cause notice of the proposed supplemental Master Resolution to be given by first class mail, postage prepaid, to all Registered Owners of the then-outstanding Bonds, to the Rating Agencies, if any, then maintaining a rating on any Bonds at the request of the State, and to any other persons designated to receive notice in a Bond Sale Resolution, provided that a failure to mail such request shall not affect validity of any supplemental or amendatory resolution when consented to as provided herein. The notice shall briefly set forth the nature of the proposed supplemental or amendatory resolution, shall request the consent of each Holder and shall state that a copy of the proposed supplemental resolution is on file at the office of the Bond Registrar for inspection by all Holders of Outstanding Bonds.

(d) The State may adopt the supplemental resolution substantially in the form described in the notice, but only if there shall have first been or is simultaneously delivered to the Bond Registrar the required consents, in writing, of the Holders of at least the principal amount of Bonds required pursuant to this Section 8.03 or of another person pursuant to Section 8.03(b).

(e) Any such consent shall be binding upon the Holder giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor or in lieu thereof (whether or not such subsequent Holder has notice hereon), unless such consent is revoked in writing by the Holder giving such consent or subsequent Holder of such Bonds by filing such revocation with the State prior to the date of adoption of the supplemental resolution. If the Holders of not less than the percentage of Bonds required by this Section 8.03 shall have consented to and approved the execution and delivery thereof as provided herein, no Holder of any Bond shall have any right to object to the adoption of the supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the State from entering into the same or from taking any action pursuant to the provisions thereof. Any written consent to a permitted amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Bondholders in person or by an agent duly appointed in writing, and that consent shall become effective when the instrument or instruments are delivered to the State or the Bond Registrar. If a supplemental resolution is to become effective on the same date as of, or after, the date of issuance of a Series of Bonds, the consents of the underwriters or purchasers of such Series of Bonds shall be counted for purposes of Section 8.03.

(f) Proof of the execution of any consent or of a writing appointing any agent shall be sufficient for any purpose and shall be conclusive in favor of the State if made in the following manner: the fact and date of the execution by any person of any consent or appointment may be proved by the affidavit of any witness of execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the person signing the consent or appointment acknowledged to them the execution thereof. The fact and date of execution of the consent or appointment may also be proved in any other manner that the State may deem sufficient; but the State may nevertheless, in its discretion, require further proof in cases

where it deems further proof desirable. Any consent by the Holder of any Bond shall bind any future Registered Owners and Holders of the same Bond with respect to any supplemental resolution adopted by the State pursuant to that consent. Any consent by the Holder of any Bond shall bind any future Registered Owners and Holders of the same Bond with respect to any supplemental resolution adopted by State pursuant to that consent.

Section 8.04 Opinion Required

Before the State shall adopt any supplemental resolution pursuant to this Article or simultaneously with that adoption, there shall be or have been delivered to the State an Opinion of Bond Counsel, stating that the supplemental resolution is authorized or permitted by this Master Resolution and will, upon the execution and delivery thereof, be valid and binding upon the State in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Outstanding Tax-Exempt Bonds or the receipt of Federal Credit Payments by the State or tax credits by the Beneficial Owners in respect of any Outstanding Tax-Advantaged Bonds.

Section 8.05 Notice of Amendment

The Bond Registrar shall notify the Bondholders and each Rating Agency then maintaining a rating on any Series of Bonds at the request of the State, if any, by mail of all amendments made to this Master Resolution whether or not the amendment required the consent of Bondholders.

Article IX DEFAULTS AND REMEDIES

Section 9.01 Events of Default

The occurrence and continuation of the following events shall constitute “Events of Default” with respect to the Bonds:

(a) If a default is made in the payment of the principal of or interest on any of the Bonds when the same shall become due and payable;

(b) If the State defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the State set forth in this Master Resolution or any covenants, conditions or agreements on the part of the State contained in any Bond Sale Resolution and such default or defaults have continued for a period of six months after the State has received from the Bond Owners’ Trustee (as defined below) or from the Registered Owners of not less than 25% in principal amount of the Outstanding Bonds, a written notice specifying and demanding the cure of that default. However, (1) if the default in the observance and performance of any other of the covenants, conditions and agreements is one which cannot be completely remedied within the six months after written notice has been given, it shall not be an Event of Default with respect to the Bonds as long as the State has taken active steps within the six months after written notice has been given to remedy the default and is diligently pursuing that remedy, and (2) as provided in Section 7.02(d), the failure of the System in any Fiscal Year to produce Toll Revenue in the amounts sufficient to enable the State to comply with Section 7.02(a), shall not, in

and of itself, constitute an Event of Default under this Master Resolution if the State complies with the provisions set forth in Section 7.02(d); or

- (c) The occurrence of a Bankruptcy Related Event.

Notwithstanding the foregoing, if, as a direct or indirect result of a Force Majeure Event, the State is unable to perform or observe any agreement, term or condition of this Master Resolution which would give rise to an Event of Default under subsection (b) above, the State shall not be deemed in default during the continuance of such inability, so long as the State shall use its best efforts to remove, or reduce, the effects of the Force Majeure Event.

Section 9.02 Bond Owners' Trustee

So long as an Event of Default has not been remedied, a trustee (the "Bond Owners' Trustee") may be appointed by the Registered Owners of 25% in principal amount of the Outstanding Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by those Registered Owners of the Outstanding Bonds or by their attorneys-in-fact duly authorized and delivered to the Bond Owners' Trustee and notification thereof being given to the State. That appointment shall become effective immediately upon acceptance thereof by the Bond Owners' Trustee. Any Bond Owners' Trustee appointed under the provisions of this Section 9.02 shall be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bond Owners' Trustee may be removed at any time, and a successor Bond Owners' Trustee may be appointed, by the Registered Owners of a majority in principal amount of the Outstanding Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by those Registered Owners of the Outstanding Bonds or by their attorneys-in-fact duly authorized. The Bond Owners' Trustee may require from Beneficial Owners (other than the TIFIA Bondholder) such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties.

In the event that any Event of Default in the sole reasonable judgment of the Bond Owners' Trustee is cured and the Bond Owners' Trustee furnishes to the State a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the State, the Bond Owners' Trustee and the Registered Owners of the Outstanding Bonds shall be restored to the same rights and position which they would have held if no such Event of Default had occurred.

The Bond Owners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the Registered Owners of all the Outstanding Bonds and is empowered to exercise all the rights and powers herein conferred on the Bond Owners' Trustee.

Section 9.03 Suits at Law or in Equity

Upon the occurrence of an Event of Default and during the continuance thereof, the Bond Owners' Trustee may, and upon the written request of the Registered Owners of not less than 25% in principal amount of the Outstanding Bonds shall, take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the Registered Owners of the Outstanding Bonds, to collect any amounts due and owing to or from the State, or to obtain other appropriate relief, and may enforce the specific performance

of any covenant, agreement or condition contained in this Master Resolution or in any of the Outstanding Bonds.

Nothing contained in this Article IX shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Outstanding Bonds, and the remedy of acceleration is expressly denied to the Registered Owners of the Outstanding Bonds and the Bond Owners' Trustee under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Any action, suit or other proceedings instituted by the Bond Owners' Trustee hereunder shall be brought in its name as trustee for the Bond owners and all such rights of action upon or under any of the Outstanding Bonds or the provisions of this Master Resolution may be enforced by the Bond Owners' Trustee without the possession of any of those Outstanding Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any suit, action or proceeding instituted by the Bond Owners' Trustee shall be brought for the ratable benefit of all of the Registered Owners of those Outstanding Bonds, subject to the provisions of this Master Resolution. The respective Registered Owners of the Outstanding Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to have appointed the Bond Owners' Trustee as the true and lawful trustee of the respective Registered Owners of those Outstanding Bonds, with authority to institute any action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Outstanding Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the Registered Owner might have done personally. Nothing herein shall be deemed to authorize or empower the Bond Owners' Trustee to consent to accept or adopt, on behalf of any Registered Owner of the Outstanding Bonds, any plan of reorganization or adjustment affecting the Outstanding Bonds or any right of any owner thereof, or to authorize or empower the Bond Owners' Trustee to vote the claims of the Registered Owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the State is a party.

Notwithstanding the foregoing, the Holder of any Bond may by mandamus or other appropriate proceeding require and compel performance of any duties imposed upon the Tolling Authority and WSDOT consistent with the provisions of RCW 47.10.906 in effect as of the date of this Master Resolution.

Section 9.04 Application of Money Collected by Bond Owners' Trustee

Any money collected by the Bond Owners' Trustee at any time pursuant to this Article shall be applied to the following purposes, within the limitations with respect thereto and only after payment has been brought current for every preceding purpose described in the following order of priority:

(a) first, to the payment of the reasonable charges, expenses, advances and compensation of the Bond Owners' Trustee and the reasonable charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys;

(b) second, to the payment to the persons entitled thereto of all installments of interest past due or coming due on the Outstanding First Tier Bonds in the following six months in the order of maturity of those installments within the First Tier Bonds and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference within the First Tier Bonds;

(c) third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Outstanding First Tier Bonds which shall have become due or which will become due in the following six months (other than Outstanding Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(d) fourth, to the payment to the persons entitled thereto of all installments of interest past due or coming due on the Outstanding Second Tier Bonds in the following six months in the order of maturity of those installments within the Second Tier Bonds and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference within the Second Tier Bonds;

(e) fifth, to the payment to the persons entitled thereto of the unpaid principal amounts of any Outstanding Second Tier Bonds which shall have become due or which will become due in the following six months (other than Outstanding Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(f) sixth, to the payment to the persons entitled thereto of all installments of interest past due or coming due on the Outstanding Third Tier Bonds in the following six months in the order of maturity of those installments within the Third Tier Bonds and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference within the Third Tier Bonds;

(g) seventh, to the payment to the persons entitled thereto of the unpaid principal amounts of any Outstanding Third Tier Bonds which shall have become due or which will become due in the following six months (other than Outstanding Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(h) eighth, to the payment to the persons entitled thereto of all installments of interest past due or coming due on the Outstanding Fourth Tier Bonds in the following six months in the order of maturity of those installments within the Fourth Tier Bonds and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference within the Fourth Tier Bonds;

(i) ninth, to the payment to the persons entitled thereto of the unpaid principal amounts of any Outstanding Fourth Tier Bonds which shall have become due or which will become due in the following six months (other than Outstanding Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(j) tenth, to the payment of subordinate obligations payable from Toll Revenue coming due in the following six months;

(k) eleventh, for continued application to the purposes and in the priority described in (a) through (j) above.

Section 9.05 Duties and Obligations of Bond Owners' Trustee

The Bond Owners' Trustee shall not be liable hereunder except for the performance or nonfeasance of the duties as are specifically set forth herein. During an Event of Default, the Bond Owners' Trustee shall exercise the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of their own affairs. The Bond Owners' Trustee shall have no liability for any act or omission to act hereunder except for the Bond Owners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bond Owners' Trustee hereunder shall be determined solely by the express provisions of this Master Resolution, and no implied powers, duties or obligations of the Bond Owners' Trustee shall be read into this Master Resolution.

The Bond Owners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bond Owners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

The Bond Owners' Trustee shall not be bound to recognize any person as a Registered Owner of any Bond until title thereto, if disputed, has been established to its reasonable satisfaction.

The Bond Owners' Trustee may consult with counsel and the opinion of that counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of that counsel. The Bond Owners'

Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

Section 9.06 Suits by Individual Bond Holders Restricted

(a) No Holder of any one or more of Outstanding Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless:

- (i) an Event of Default has happened and is continuing;
- (ii) a Bond Owners' Trustee has been appointed;
- (iii) that Holder previously shall have given to the Bond Owners' Trustee written notice of the Event of Default on account of which that suit, action or proceeding is to be instituted;
- (iv) the Registered Owners of 25% in principal amount of the Outstanding Bonds, after the occurrence of that Event of Default, have made written request of the Bond Owners' Trustee and have afforded the Bond Owners' Trustee a reasonable opportunity to institute a suit, action or proceeding;
- (v) there have been offered to the Bond Owners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and
- (vi) the Bond Owners' Trustee has refused or neglected to comply with that request within a reasonable time.

(b) No Holder of any Outstanding Bond shall have any right in any manner whatever by their action to affect or impair the obligation of the State to pay from the Net Revenue the principal of and interest on that Outstanding Bond to the respective Registered Owners thereof when due.

Section 9.07 TIFIA Bond Default Remedy

If and to the extent required by a Bond Sale Resolution, upon the occurrence of an Event of Default described in Section 9.01(c), any then-Outstanding TIFIA Bond will be deemed to be and will automatically become a First Tier Bond for all purposes of this Master Resolution, and the TIFIA Bondholder will be deemed to be the Holder of such First Tier Bond; provided, however, that the TIFIA Bond will not be secured by any First Tier Debt Service Reserve Subaccount. Notwithstanding the other provisions of this Section 9.07, (A) if on the date that the Event of Default described in Section 9.01(c) occurs, any amounts are on deposit in the First Tier Debt Service Subaccount, such amounts shall be used to pay amounts due or to become due on those First Tier Bonds Outstanding immediately prior to the occurrence of that Event of Default described in Section 9.01(c) and shall not be used to pay amounts due or to become due on the TIFIA Bond; and (B) if on the date that the Event of Default described in Section 9.01(c) occurs, any amounts are on deposit in the Fourth Tier Debt Service Subaccount that are allocable to the TIFIA Bond, such amounts shall be used to pay amounts due or to become due on the TIFIA Bond.

Section 9.08 Failure to Comply With Undertaking

Notwithstanding anything in this Article to the contrary, the failure of the State or any obligated person to comply with the Undertaking shall not constitute an Event of Default hereunder, and the sole remedy of any Holder of a Bond shall be to seek an order of specific performance from an appropriate court to compel the State to comply with the Undertaking.

Article X REFUNDING OR DEFEASANCE OF BONDS

The State may issue refunding bonds pursuant to the laws of the State or use money from any other lawful source to pay the principal of and interest on the Bonds, or that portion thereof included in a refunding or defeasance plan, as the same become due and payable and to redeem and retire, release, refund or defease all such then-outstanding Bonds (the “defeased Bonds”) and to pay the costs of the refunding or defeasance. If money and/or “Government Obligations” (as defined in RCW 39.53.010, as now in existence or hereafter amended) 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 the defeased Bonds when due in accordance with their respective terms are set aside in a special fund (hereinafter called the “trust account”) to effect that payment, and are pledged irrevocably in accordance with a refunding plan adopted by the State for the purpose of effecting that payment, then no further payments need be made into the related Debt Service Subaccount in the Toll Facility Bond Retirement Account for the payment of principal of and interest on those defeased Bonds, the Registered Owners thereof shall cease to be entitled to any pledge, benefit or security of this Master Resolution, except the right to receive payment of the principal of and interest on those defeased Bonds 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 those defeased Bonds shall no longer be deemed to be outstanding hereunder. Registered Owners of defeased Bonds shall thereafter have the right to receive payment of the principal of and interest or redemption price of the defeased Bonds from the trust account.

If the refunding or defeasance plan provides that the Bonds to be refunded or defeased be secured by money and/or Government Obligations pending the prior redemption of the defeased Bonds and if the refunding plan also provides that certain money and/or Government Obligations are pledged irrevocably for the redemption of the defeased Bonds included in that refunding plan, then only the debt service on the Bonds which are not defeased Bonds and the refunding bonds, the payment of which is not so secured by the refunding plan, shall be included in the computation of Annual Debt Service.

Article XI SALE OF THE BONDS

Section 11.01 Methods of Sale of Bonds

The Deputy State Treasurer is hereby authorized to determine, for each Series of Bonds, whether those Bonds will be sold competitively at public sale or whether that Series will be sold by means of a negotiated sale to one or more underwriters or to one or more qualified purchasers or governmental lenders in a private placement.

If the Deputy State Treasurer determines to sell Bonds at a public sale, the Deputy State Treasurer shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) determine the amount, form and method of delivery of a good faith deposit to the State; (4) cause notice of the public sale to be given; and (5) provide for other matters pertaining to the public sale as the Deputy State Treasurer deems necessary or desirable.

If the Deputy State Treasurer determines to sell Bonds by means of a negotiated sale to one or more underwriters, the Deputy State Treasurer is authorized to solicit proposals for the selection of firms to serve as underwriters for those Bonds and to negotiate the terms of a bond purchase contract for the sale of those Bonds.

Section 11.02 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 Master Resolution.

Provisions of the Bond Sale Resolution may include, without limitation, (1) provisions for the acceptance of offers to purchase the Bonds and provisions for the sale and delivery of the Bonds to the purchasers; (2) 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); (3) redemption provisions; (4) provisions relating to any Debt Service Reserve Subaccount securing the Bonds and any applicable Debt Service Reserve Requirement; and (5) other terms and conditions required by or otherwise not inconsistent with the provisions of this Master Resolution.

Section 11.03 Elections to Treat Bonds as Tax-Advantaged Bonds

If the State Treasurer determines that it is beneficial to the State for a Series of Bonds to be sold and issued as Tax-Advantaged Bonds, the Bond Sale Resolution shall include those elections and other provisions as may be required under the Code for the State to designate that Series of Bonds as Tax-Advantaged Bonds and may authorize other actions as are necessary or appropriate for the State to receive from the United States Treasury the applicable Federal Credit Payments or for the holders to receive the applicable tax credit in respect of those Bonds.

Article XII
PRELIMINARY OFFICIAL STATEMENT UNDER THE RULE

To allow the Original Purchasers of the Bonds of each Series to comply with Section (b)(1) of the Rule, the Committee hereby authorizes the State Treasurer or Deputy State Treasurer to execute a certificate “deeming final,” as of its date, the preliminary official statement to be prepared by the State in connection with the offering of each Series of Bonds. A preliminary official statement may be deemed final even though it omits information as to offering prices, interest rates, selling compensation, aggregate principal amounts, principal amount per maturity, maturity dates, options of redemption, delivery date, ratings and other terms of the Bonds that are dependent on those matters.

Article XIII
DELIVERY OF BONDS

The proper State officials are authorized and directed to execute all documents and to do everything necessary, without unreasonable delay after each Bond Sale Resolution is adopted, for (1) the preparation and delivery of transcripts of proceedings pertaining to the Series of Bonds sold thereunder, and (2) the preparation, authentication and delivery of Bonds, in definitive form, to the Original Purchasers thereof.

Article XIV
CONTINUING DISCLOSURE

The State shall undertake to provide for the benefit of Holders of each Series of Bonds disclosure of certain financial information and operating data of the type included in the final official statement for those Bonds, as well as disclosure of certain material events respecting those Bonds, in the manner and to the extent required by Section (b)(5) of the Rule. The particular terms of the Undertaking shall be set forth in the related Bond Sale Resolution.

Article XV
MISCELLANEOUS

Section 15.01 Contract; Severability

The covenants contained in this Master Resolution and in the Series of Bonds issued hereunder shall constitute a contract between the State and the Registered Owner of each Bond. If any one or more of the covenants or agreements provided in this Master Resolution, to be performed by the State, shall be declared by any court of competent jurisdiction after final appeal (if any appeal be taken) to be contrary to law, then the covenant or covenants, agreement or agreements, shall be null and void, shall be deemed separable from the remaining covenants and agreements in this Master Resolution and shall in no way affect the validity of the other provisions of this Master Resolution, the Bonds.

Section 15.02 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 Master Resolution immediately upon its adoption.

Section 15.03 Ratification

All actions heretofore taken by officers or staff of the Committee consistent with the terms of this Master Resolution are ratified, approved and confirmed.

Section 15.04 Immediate Effect

This Master Resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

ADOPTED at an open meeting of the State Finance Committee after notice thereof was duly given as required by law, this 8th day of July, 2025.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
Mike Pellicciotti
State Treasurer and Chair

By _____
Bob Ferguson
Governor and Member

By _____
Denny Heck
Lieutenant Governor and Member

ATTEST:

Jason P. Richter
Deputy State Treasurer and Secretary

CERTIFICATE

I, Jason P. Richter, the duly appointed, qualified and acting Deputy State Treasurer and Secretary of the State Finance Committee of the State of Washington, certify that the foregoing is a true and correct copy of Resolution No. 1300 of such Committee, adopted at an open public meeting thereof held on this 8th day of July, 2025, 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 8, 2025.

Jason P. Richter
Deputy State Treasurer and Secretary
State Finance Committee



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 8 -

Informational Item

Rulemaking Update

Office of the State Treasurer

P.O. Box 40200 Olympia, Washington 98504-0200
(360) 902-9000 • TTY USERS: CALL 711 • FAX (360) 902-9037
www.tre.wa.gov



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

Rulemaking Update SFC & PDPC

December 30, 2024: CR-101 filed and published as WSR 25-02-091

- The purpose was to review and revise outdated rules under Title 210 WAC and Title 389 WAC relating to the Public Records Act, and to incorporate gender neutral language.

February 20, 2025: Received a comment from the Administrative Law Section of the Washington State Bar Association (WSBA) specific to RCW 42.56.070(5) – public records index.

February 25, 2025: As OST functions as the administrative and clerical support to the SFC and PDPC, it also processes the public records requests received for those entities.

- SFC Resolution No. 1291 – approved rulemaking activity by OST to harmonize rules relating to compliance with the Public Records Act with OST's rules.
- PDPC Resolution 2025-1 – approved rulemaking activity by OST to draft rules that harmonize compliance with the Public Records Act with OST's rules.

June 4, 2025: CR-102 filed and published as WSR 25-12-109, along with proposed language

- Proposed language nearly identical between SFC, PDPC, and OST rules to produce increased efficiencies when processing public records requests.
- We considered the comment received from WSBA during the drafting process.

June 18, 2025: Beginning date for public comments to be provided to OST

- Comments will be accepted until 5 pm July 8, 2025

July 8, 2025: Public hearing to be held from 8:30-9 am in the conference room at 416 Sid Snyder Ave. SW, Room 230, with the option to attend via Teams.

July 9, 2025 (or thereafter): Intend to adopt CR-103, with effective date 31 days thereafter

Office of the State Treasurer

P.O. Box 40200 Olympia, Washington 98504-0200
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PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: December 30, 2024

TIME: 9:58 AM

WSR 25-02-091

Agency: Office of the State Treasurer (State Finance Committee)

Subject of possible rule making: Review and revise outdated rules, including those under Title 210 WAC and Title 389 WAC, and incorporating gender neutral language.

Statutes authorizing the agency to adopt rules on this subject: RCW 43.33.030; RCW 43.33.040; RCW 39.58.030; RCW 39.58.040; RCW 42.56.040; RCW 42.56.070; RCW 42.56.100

Reasons why rules on this subject may be needed and what they might accomplish: To ensure the rules remain current.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☒ Agency study
- ☐ Other (describe)

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

Name: Jilene Siegel	(If necessary) Name:
Address: Legislative Building 416 Sid Snyder Ave. SW., Room 230 Olympia, WA 98504	Address:
Phone: (360) 902-8907	Phone:
Fax:	Fax:
TTY:	TTY:
Email: legalaffairs@tre.wa.gov	Email:
Web site: www.tre.wa.gov	Web site:
Other:	Other:

Additional comments:

Date: December 30, 2024

Name: Jilene Siegel

Title: Legal Compliance Administrator / Rules Coordinator

Signature:



PROPOSED RULE MAKING

CR-102 (June 2024)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 04, 2025

TIME: 9:40 AM

WSR 25-12-109

Agency: Office of the State Treasurer (State Finance Committee)

☒ **Original Notice**

☐ **Supplemental Notice to WSR** _____

☐ **Continuance of WSR** _____

☒ **Preproposal Statement of Inquiry was filed as WSR** 25-02-091 ; or

☐ **Expedited Rule Making--Proposed notice was filed as WSR** _____; or

☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**

☐ **Proposal is exempt under RCW** _____.

Title of rule and other identifying information: (describe subject) Public Records for State Finance Committee and Public Deposit Protection Commission

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
July 8, 2025	8:30 a.m.	416 Sid Snyder Ave. SW, Room 230 (2 nd floor), conference room	Or via phone at (564) 999-2000 or (833) 322-1218 conference ID: 986 819 666#

Date of intended adoption: July 9, 2025 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name Jilene Siegel
Address Legislative Building
416 Sid Snyder Ave. SW, Room 230
Olympia, WA 98504

Email legalaffairs@tre.wa.gov

Fax

Other

Beginning (date and time) June 18, 2025

By (date and time) 5:00 p.m., July 8, 2025

Assistance for persons with disabilities:

Contact Jilene Siegel
Phone (360) 902-8907

Fax

TTY

Email legalaffairs@tre.wa.gov

Other

By (date) _____

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Update outdated rules relating to public records under Title 210 WAC and Title 389 WAC and incorporate gender neutral language

Reasons supporting proposal: To ensure the rules remain current

Statutory authority for adoption: RCW 43.33.030; RCW 43.33.040; RCW 39.58.030; RCW 39.58.040; RCW 42.56.040; RCW 42.56.070; RCW 42.56.100

Statute being implemented: Chapter 42.56 RCW

Is rule necessary because of a:

Federal Law?

☐ Yes ☒ No

Federal Court Decision?

☐ Yes ☒ No

State Court Decision?

☐ Yes ☒ No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Office of the State Treasurer (State Finance Committee)

Type of proponent: ☐ Private. ☐ Public. ☒ Governmental.

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting	Devon Phelps	416 Sid Snyder Ave. SW, Room 230 Olympia, WA 98504	360-902-8965
Implementation	Jilene Siegel	416 Sid Snyder Ave. SW, Room 230 Olympia, WA 98504	360-902-8907
Enforcement			

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?☐ Yes ☒ No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

Is a cost-benefit analysis required under [RCW 34.05.328](#)?☐ Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

☒ No: Please explain:**Regulatory Fairness Act and Small Business Economic Impact Statement**Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.**(1) Identification of exemptions:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

☐ This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

☐ This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

- | | |
|--|--|
| <input checked="" type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4). (Does not affect small businesses).

☐ This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- ☒ The rule proposal: Is fully exempt. (*Skip section 3.*) Exemptions identified above apply to all portions of the rule proposal.
- ☐ The rule proposal: Is partially exempt. (*Complete section 3.*) The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- ☐ The rule proposal: Is not exempt. (*Complete section 3.*) No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- ☐ No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____
- ☐ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

Date: June 3, 2025

Name: Tammie Nuber

Title: Assistant State Treasurer

Signature:

Tammie Nuber

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-010 Purpose. ~~The purpose of this chapter ((shall be to ensure compliance by)) is to provide rules for the state finance committee to ensure compliance with the provisions of chapter ((1, Laws of 1973 (Initiative 276), Disclosure Campaign finances Lobbying Records; and in particular with §§ 25-32 of that act, dealing with)) 42.56 RCW relating to public records.~~

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-030 Description of ((central and field organization of)) the state finance committee. ~~((1) State finance committee.))~~ The state finance committee is ~~((a state agency))~~ the committee established by RCW 43.17.070 and chapter 43.33 RCW empowered to perform all duties prescribed by law with respect to the investment of certain trust and public funds. The ~~((administrative offices of the))~~ state finance committee ~~((and its staff are located at 314 Insurance Building, Olympia, Washington.))~~ shall throughout this chapter, unless context clearly indicates otherwise, be referred to as the "committee."

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-040 ((Operations and procedures.)) Administrative operations. ~~((The state finance committee is charged with the duty to invest certain trust and public funds, as set forth in RCW 43.33.020, 43.33.025, 43.33.030, 51.44.100, and sections 12, 14, 15 and 16, chapter 103, Laws of 1973 1st ex. sess.)) (1) Pursuant to RCW 43.33.030, the office of the state treasurer provides administrative and clerical assistance for the state finance committee.~~

(2) The administrative office of the state treasurer is in the Legislative Building, Olympia, Washington. The contact information is:

Mail: Office of the State Treasurer
416 Sid Snyder Ave S.W., 2nd Floor, Room 230
P.O. Box 40200
Olympia, WA 98504-0200
Phone: 360-902-9000
Email: watreas@tre.wa.gov

(3) All communications with the committee including, but not limited to, the submission of materials pertaining to its operations and/or the administration or enforcement of chapter 42.56 RCW and these rules, or requests for copies of the committee's decisions and other matters, should be sent or directed to the administrative office of the state treasurer.

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-060 Public records officer. (1) The state finance ((committee's)) committee designates the office of the state treasurer's public records ((shall be in the charge of the)) officer, ex officio, as the committee's public records officer ((designated by the agency. The person so designated shall be located in the administrative office of the agency)). The public records officer ((shall be)) is responsible for ((the following: The implementation of the state finance)) implementing the committee's rules ((and regulations)) regarding release of public records, coordinating ((the staff of)) with the committee in this regard, and generally ((insuring)) ensuring compliance by the staff with the public records disclosures requirements of chapter ((1, Laws of 1973)) 42.56 RCW.

(2) The public records officer may choose one or more designees to carry out the responsibilities of this chapter including, but not limited to, processing and responding to public records requests.

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-070 Office hours. The committee's public records ((shall be)) are available for inspection and copying during the customary office hours of the ((state finance committee)) office of the state treasurer. ((For the purposes of this chapter, the customary office hours shall be from 9:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m.)) Absent an emergency or other unforeseen, exigent circumstances, records may be available at the administrative office of the state treasurer without an appointment from 10:00 a.m. to 2:00 p.m., or with an appointment from 9:00 a.m. to 4:00 p.m., Monday through Friday, excluding legal holidays. To allow for the identification and retrieval of responsive records, a scheduled appointment is strongly advised.

NEW SECTION

WAC 210-06-075 Records index. As the office of the state treasurer is responsible for the administration of the committee, the records index for the office of the state treasurer is also the records index for the committee, and is available to the public on the office of the state treasurer's website at <https://tre.wa.gov/public-records-index>. Similarly, the state general records retention schedule and the office of the state treasurer's specific records retention schedule, as established and approved by the state records committee, further serve as the index for the identification and location of the committee's records.

WAC 210-06-080 Requests for public records. (~~In accordance with requirements of chapter 1, Laws of 1973, that agencies prevent unreasonable invasions of privacy, protect public records from damage or disorganization, and prevent excessive interference with essential functions of the agency, public records may be inspected or copied or copies of such records may be obtained, by members of the public, upon compliance with the following procedures:~~

~~(1) A request shall be made in writing upon a form prescribed by the state finance committee which shall be available at its administrative office. The form shall be presented to the public records officer; or to any member of the committee's staff, if the public records officer is not available at the administrative office of the committee during customary office hours. The request shall include the following information:~~

~~(a) The name of the person requesting the record;~~

~~(b) The time of day and calendar date on which the request was made;~~

~~(c) The nature of the request;~~

~~(d) If the matter requested is referenced within the current index maintained by the records officer, a reference to the requested record as it is described in such current index;~~

~~(e) If the requested matter is not identifiable by reference to the committee's current index, an appropriate description of the record requested.~~

~~(2) In all cases in which a member of the public is making a request, it shall be the obligation of the public records officer or staff member to whom the request is made to assist the member of the public in appropriately identifying the public record requested.)) (1) This procedure for requesting public records ensures the office of the state treasurer can provide the fullest assistance to requestors; prevent unreasonable invasions of privacy; protect public records from damage or disorganization; and prevent excessive interference with essential functions of the committee or the office of the state treasurer.~~

(2) Submitting a request.

(a) Persons seeking public records of the committee are strongly encouraged to, before submitting a records request, first review the following websites, where many Washington state records are free for viewing and downloading at any time. If any of the web addresses below become inoperable, record seekers may contact the office of the state treasurer to learn any replacement addresses or about similar resources:

(i) <https://tre.wa.gov/public-records-index> provides a list of records available on the office of the state treasurer's website, including data and information related to the state's investments and debt.

(ii) <https://tre.wa.gov/our-office/boards-and-commissions/state-finance-committee> provides access to recent committee meeting documents and resolutions.

(iii) <https://data.wa.gov> provides access to multiple datasets maintained by Washington agencies.

(b) Request for committee records under the provisions of the Public Records Act may be submitted to the office of the state treasurer in one of the following ways:

(i) **Online:** <https://tre.wa.gov/public-records-requests>. Requestors are strongly encouraged to submit requests through the office of the state treasurer's secure online Public Records Act portal, which allows requestors to also track the status of their request and easily receive documents of any type or size.

(ii) **Email:** publicdisclosure@tre.wa.gov

(iii) **U.S. mail or delivery:**

State Finance Committee
c/o Washington State Treasurer
Attn: Public Records Officer
416 Sid Snyder Avenue, S.W.
P.O. Box 40200
Olympia, WA 98504-0200

(iv) **In person.** A request may be submitted to staff at the administrative office of the state treasurer during customary office hours. A printed form will be provided to requestors submitting oral requests in person. The completed form will be directed to the public records officer to be processed as described in this chapter.

(c) Each request should include the following information:

(i) Name of requestor;

(ii) Address of requestor;

(iii) Direct contact information, including telephone number and email address, to allow for communication if clarification is required, and for notification when records are available for viewing or retrieval; and

(iv) A clear description identifying the public records requested, including dates of the records or transactions, if appropriate.

(d) Communications seeking committee records, but which are sent or provided to unauthorized locations, addresses, or staff may not be accepted as or processed as Public Records Act requests. The office of the state treasurer may process such communications as constituent correspondence or general requests for information, as appropriate. If seeking committee records, requestors are strongly encouraged to submit their request to the public records officer as directed in (b) and (c) of this subsection.

NEW SECTION

WAC 210-06-085 Processing public records requests. (1) Upon receipt of a public records request, it will be recorded in the office of the state treasurer's public records tracking system and will be assigned a tracking number.

(2) The public records officer will evaluate the request to determine the availability and potential volume of requested records.

(3) **Acknowledging receipt of request.** Following the initial evaluation of the request under subsection (2) of this section, and within five business days of receipt of the request, the public records officer will do one or more of the following:

(a) Make the records available for inspection or retrieval, including:

(i) If copies are available via the internet, provide an internet address to specific records requested;

(ii) If copies will be provided without a fee or deposit for the copies, send the copies to the requestor;

(b) Acknowledge receipt of the request and provide a reasonable estimate of when records or an installment of records will be available, in which the estimate may be revised from time to time;

(c) Acknowledge receipt of the request and ask the requestor to provide clarification for a request that is unclear or unduly burdensome, providing, to the greatest extent practicable, the office of the state treasurer's interpretation of the request and a reasonable estimate of time to respond based on such interpretation;

(i) Clarification may be requested and provided by telephone and memorialized in writing;

(ii) If the requestor fails to respond to a request for clarification and the office of the state treasurer cannot reasonably interpret the request to be sufficient pursuant to chapter 42.56 RCW, the office of the state treasurer need not respond to it; or

(d) Deny the request.

(4) **Providing records in installments.** When the request is for a large number or size of records, the public records officer may provide copies or access for inspection and copying in installments. If, within 30 days, the requestor fails to inspect or take delivery of the entire set of records or any one or more installments, the request will be deemed abandoned as described in subsection (5) of this section.

(5) **Closing withdrawn or abandoned request.** When the requestor either withdraws the request or fails to amend or clarify an unclear request, take delivery of or inspect the records, pay the deposit, pay the required fees for an installment, or make final payment for the requested copies, the public records officer may deem the request abandoned, administratively close the request, and notify the requestor of such closure.

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-090 Copying fees—Payments. (1) There is no fee ((shall be charged for the inspection of)) to inspect public records. The committee ((shall)) may impose a charge ((a fee not to exceed 25 cents per page. This charge is the amount necessary to reimburse the committee for its actual costs incident to such copying)) for providing a copy of a public record.

(2) The committee does not calculate the actual costs for copying records because doing so would be unduly burdensome for the following reasons:

(a) The committee does not have the resources to conduct a study to determine all its actual copying costs;

(b) To conduct such a study would interfere with other essential committee and office of the state treasurer functions; and

(c) Through the 2017 legislative process, the public and requestors have commented on and been informed of authorized fees and costs, including for electronic records, provided in RCW 42.56.120 (2)(b) and (c), (3), and (4).

(3) The committee, through the office of the state treasurer, may:

(a) charge for copies of records pursuant to RCW 42.56.120 (2) (b) and (c);

(b) Charge for customized services pursuant to RCW 42.56.120(3);

(c) Charge other copy fees authorized by statutes outside of chapter 42.56 RCW pursuant to RCW 42.56.130; or

(d) Enter into an alternative fee agreement with the requestor under RCW 42.56.120(4).

(4) The charges for copying methods used by the committee are summarized in the fee schedule available on the office of the state treasurer's website at <https://tre.wa.gov>.

(5) Before producing public records, the public records officer may require the requestor to pay:

(a) The entire cost in advance of receiving records;

(b) An advance deposit of 10 percent of the estimated fees; or

(c) The payment of the costs of providing an installment before providing that installment.

(6) The public records officer will notify the requestor if fees will be charged and when payment is required.

(7) The committee will deem abandoned and administratively close a request as described in WAC 210-06-085(5) when a requestor fails by the payment date to pay in the manner prescribed.

(8) Payment should be made by check or money order to the office of the state treasurer. The office of the state treasurer prefers not to receive cash, and it is within the public records officer's discretion to determine the denomination of bills and coins that will be accepted.

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-100 Exemptions. ~~((1) The committee reserves the right to determine that a public record requested in accordance with the procedures outlined in WAC 210-06-080 is exempt under the provisions of § 31, chapter 1, Laws of 1973.~~

~~(2) In addition, pursuant to § 26, chapter 1, Laws of 1973, the committee reserves the right to delete identifying details when it makes available or publishes any public record, in any cases when there is reason to believe that disclosure of such details would be an invasion of personal privacy protected by chapter 1, Laws of 1973. The public records officer will fully justify such deletion in writing.~~

~~(3) All denials of requests for public records must be accompanied by a written statement specifying the reason for the denial, including a statement of the specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the record withheld.))~~ (1) **Records exempt from disclosure.** Some records are exempt from disclosure, in whole or in part. If the office of the state treasurer believes that a record is exempt from disclosure and should be withheld, the public records officer will state the specific exemption and provide a brief written explanation of why the record, or a portion of the record, is being withheld. If only a portion of a record is exempt from disclosure, but the remainder is not exempt, the public records officer will redact the exempt portions, provide the nonexempt portions, and indicate to the requestor why portions of the record are being redacted.

(2) **Protecting the rights of others.** If records to be produced in response to a request contain information that may affect the rights of others, the public records officer may, prior to providing the records, give notice to such others whose rights may be affected by the disclosure. The notice to the affected persons may include a copy of the request.

(3) **List of individuals.** The committee is prohibited by statute from disclosing a list of individuals for commercial purposes. The office of the state treasurer will require a commercial purpose declaration prior to disclosing a list of individuals. A copy of the commercial purpose declaration may be provided to individuals named in the records if such individuals are notified as described in subsection (2) of this section.

(a) For the purpose of this subsection, individuals means natural persons; provided, however, that a list that includes natural persons and entities or organizations is considered a list of individuals.

(b) For the purpose of this subsection, commercial purposes means activities of a requestor or their affiliates which are reasonably anticipated to result in the generation of revenue or be done for financial benefit.

AMENDATORY SECTION (Amending Order XII, filed 11/28/73)

WAC 210-06-110 Review of denials of public records requests.

(1) Requestors are encouraged to communicate with the public records officer regarding denials of public records requests.

(2) **Petition for internal administrative review.** Any person who objects to the denial or a partial denial of a request for a public record may petition for prompt review of such decision by ~~((tendering))~~ submitting a written request for review to the public records officer at any of the methods of contact provided in this chapter. The written ~~((request shall))~~ petition must specifically ((refer to the)) include the office-assigned request number and a copy of any written statement by the public records officer or other staff member which constituted or accompanied the denial.

~~((+2))~~ (3) **Consideration of petition for review.** Immediately after receiving a written ((request)) petition for review of a decision denying a public record, the public records officer or other staff member denying the request shall refer it to the committee's executive secretary ~~((of the committee. The executive secretary)), or the secretary's designee, who~~ shall ~~((immediately))~~ consider the matter and either affirm or reverse such denial, or call a special meeting of the ~~((state finance))~~ committee as soon as ~~((legally possible))~~ practicable to review the denial. In any case, the ~~((request))~~ petition shall be returned with a final decision~~((7))~~ within two business days following the ~~((original denial.~~

~~(3) Administrative remedies shall not be considered exhausted until the system has returned the petition with a decision or until the close of the second business day following denial of inspection, whichever occurs first))~~ receipt of the petition for review, or within such other time as the secretary or designee and the requestor mutually agree.

(4) **Review by the office of the attorney general.** Pursuant to RCW 42.56.530, if the committee denies a requestor access to a public re-

cord because it claims the record is exempt in whole or in part from disclosure, the requestor may request the office of the attorney general to review the matter. The attorney general has adopted rules on such requests in WAC 44-06-160.

(5) **Judicial review.** Requestors may obtain court review of denials of their public records requests pursuant to RCW 42.56.550.

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 210-06-020	Definitions.
WAC 210-06-050	Public records available.
WAC 210-06-120	Records index.
WAC 210-06-130	State finance committee address.
WAC 210-06-140	Adoption of form.
WAC 210-06-990	Appendix A—Form—Request for public records.

**Chapter 389-06 WAC
PUBLIC RECORDS**

NEW SECTION

WAC 389-06-010 Purpose. The purpose of this chapter is to provide rules for the public deposit protection commission to ensure compliance with the provisions of chapter 42.56 RCW relating to public records.

NEW SECTION

WAC 389-06-020 Description of the public deposit protection commission. The public deposit protection commission is the commission established by chapter 39.58 RCW and empowered to perform all duties prescribed by law. The public deposit protection commission shall throughout this chapter, unless context clearly indicates otherwise, be referred to as the "commission."

NEW SECTION

WAC 389-06-030 Administrative operations. (1) Pursuant to RCW 39.58.220 and WAC 389-12-120, the office of the state treasurer administers the public deposit protection commission.

(2) The administrative office of the state treasurer is in the Legislative Building, Olympia, Washington. The contact information is:

Mail: Office of the State Treasurer
416 Sid Snyder Ave. S.W., 2nd floor, Room 230
P.O. Box 40200
Olympia, WA 98504-0200
Phone: 360-902-9000
Email: watreas@tre.wa.gov

(3) All communications with the commission including, but not limited to, the submission of materials pertaining to its operations and/or the administration or enforcement of chapter 42.56 RCW and these rules, or requests for copies of the commission's decisions and other matters, should be sent or directed to the administrative office of the state treasurer.

NEW SECTION

WAC 389-06-040 Public records officer. (1) The commission designates the office of the state treasurer's public records officer, ex

officio, as the commission's public records officer. The public records officer is responsible for implementing the commission's rules regarding release of public records, coordinating with the commission in this regard, and generally ensuring compliance with the public records disclosure requirements of chapter 42.56 RCW.

(2) The public records officer may choose one or more designees to carry out the responsibilities of this chapter including, but not limited to, processing and responding to public records requests.

NEW SECTION

WAC 389-06-050 Office hours. The commission's public records are available for inspection and copying during the customary office hours of the office of the state treasurer. Absent an emergency or other unforeseen, exigent circumstances, records may be available at the administrative office of the state treasurer without an appointment from 10:00 a.m. to 2:00 p.m., or with an appointment from 9:00 a.m. to 4:00 p.m., Monday through Friday, excluding legal holidays. To allow for the identification and retrieval of responsive records, a scheduled appointment is strongly advised.

NEW SECTION

WAC 389-06-060 Records index. As the office of the state treasurer is responsible for the administration of the commission, the records index for the office of the state treasurer is also the records index for the commission, and is available to the public on the office of the state treasurer's website at <https://tre.wa.gov/public-records-index>. Similarly, the state general records retention schedule and the office of the state treasurer's specific records retention schedule, as established and approved by the state records committee, further serve as the index for the identification and location of the commission's records.

NEW SECTION

WAC 389-06-070 Requests for public records. (1) This procedure for requesting public records ensures the office of the state treasurer can provide the fullest assistance to requestors; prevent unreasonable invasions of privacy; protect public records from damage or disorganization; and prevent excessive interference with essential functions of the office or the commission.

(2) Submitting a request.

(a) Persons seeking public records of the commission are strongly encouraged to, before submitting a records request, first review the following websites, where many Washington state records are free for viewing and downloading at any time. If any of the web addresses below become inoperable, record seekers may contact the office of the state

treasurer to learn any replacement addresses or about similar resources:

(i) <https://tre.wa.gov/public-records-index> provides a list of records available on the office website, including data and information related to the state's investments and debt.

(ii) <https://tre.wa.gov/our-office/boards-and-commissions/public-deposit-protection-commission> provides access to recent commission meeting documents and resolutions.

(iii) <https://data.wa.gov> provides access to multiple datasets maintained by Washington agencies.

(b) Requests for commission records under the provisions of the Public Records Act may be submitted to the office of the state treasurer in one of the following ways:

(i) **Online:** <https://tre.wa.gov/public-records-requests>. Requestors are strongly encouraged to submit requests through the office of the state treasurer's secure online Public Records Act portal, which allows requestors to also track the status of their request and easily receive documents of any type or size.

(ii) **Email:** publicdisclosure@tre.wa.gov

(iii) **U.S. mail or delivery:**

Public Deposit Protection Commission
c/o Washington State Treasurer
Attn: Public Records Officer
416 Sid Snyder Avenue, S.W.
P.O. Box 40200
Olympia, WA 98504-0200

(iv) **In person.** A request may be made to staff at the administrative office of the state treasurer during customary office hours. A printed form will be provided to requestors submitting oral requests in person. The completed form will be directed to the public records officer to be processed as described in this chapter.

(c) The request must include the following information:

(i) Name of requestor;

(ii) Address of requestor;

(iii) Direct contact information, including telephone number and email address, to allow for communication if clarification is required, and for notification when records are available for viewing or retrieval; and

(iv) A clear description identifying the public records requested, including dates of the records or transactions, if appropriate.

(d) Communications seeking commission records, but which are sent or provided to unauthorized locations, addresses, or staff may not be accepted as or processed as Public Records Act requests. The office of the state treasurer may process such communications as constituent correspondence or general requests for information, as appropriate. If seeking commission records, requestors are strongly encouraged to submit their request to the public records officer as directed in (b) and (c) of this subsection.

NEW SECTION

WAC 389-06-080 Processing public records requests. (1) Upon receipt of a public records request, it will be recorded in the office

of the state treasurer's public records tracking system and will be assigned a tracking number.

(2) The public records officer will evaluate the request to determine the availability and potential volume of requested records.

(3) **Acknowledging receipt of request.** Following the initial evaluation of the request under subsection (2) of this section, and within five business days of receipt of the request, the public records officer will do one or more of the following:

(a) Make the records available for inspection or retrieval, including:

(i) If copies are available via the internet, provide an internet address to specific records requested;

(ii) If copies will be provided without a fee or deposit for the copies, send the copies to the requestor;

(b) Acknowledge receipt of the request and provide a reasonable estimate of when records or an installment of records will be available, in which the estimate may be revised from time to time;

(c) Acknowledge receipt of the request and ask the requestor to provide clarification for a request that is unclear or unduly burdensome, providing, to the greatest extent practicable, the office of the state treasurer's interpretation of the request and a reasonable estimate of time to respond based on such interpretation:

(i) Clarification may be requested and provided by telephone and memorialized in writing;

(ii) If the requestor fails to respond to a request for clarification and the office of the state treasurer cannot reasonably interpret the request to be sufficient pursuant to chapter 42.56 RCW, the office of the state treasurer need not respond to it; or

(d) Deny the request.

(4) **Providing records in installments.** When the request is for a large number or size of records, the public records officer may provide copies or access for inspection and copying in installments. If, within 30 days, the requestor fails to inspect or take delivery of the entire set of records or any one or more installments, the request will be abandoned as described in subsection (5) of this section.

(5) **Closing withdrawn or abandoned request.** When the requestor either withdraws the request or fails to amend or clarify an unclear request, take delivery of or inspect the records, pay the deposit, pay the required fees for an installment, or make final payment for the requested copies, the public records officer may deem the request abandoned, administratively close the request, and notify the requestor of such closure.

NEW SECTION

WAC 389-06-090 Copying fees—Payments. (1) There is no fee to inspect public records. The commission may impose a charge for providing a copy of a public record.

(2) The commission does not calculate the actual costs for copying records because doing so would be unduly burdensome for the following reasons:

(a) The commission does not have the resources to conduct a study to determine all its actual copying costs;

(b) To conduct such a study would interfere with other essential commission and office of the state treasurer functions; and

(c) Through the 2017 legislative process, the public and requestors have commented on and been informed of authorized fees and costs, including for electronic records, provided in RCW 42.56.120 (2) (b) and (c), (3), and (4).

(3) The commission, through the office of the state treasurer may:

(a) Charge for copies of records pursuant to RCW 42.56.120 (2) (b) and (c);

(b) Charge for customized services pursuant to RCW 42.56.120(3);

(c) Charge other copy fees authorized by statutes outside of chapter 42.56 RCW pursuant to RCW 42.56.130; or

(d) Enter into an alternative fee agreement with the requestor under RCW 42.56.120(4).

(4) The charges for copying methods used by the commission are summarized in the fee schedule available on the office of the state treasurer's website at <https://tre.wa.gov>.

(5) Before producing public records, the public records officer may require the requestor to pay:

(a) The entire cost in advance of receiving records;

(b) An advance deposit of 10 percent of the estimated fees; or

(c) The payment of the costs of providing an installment before providing that installment.

(6) The public records officer will notify the requestor if fees will be charged and when payment is required.

(7) The commission will deem abandoned and administratively close a request as described in WAC 389-06-080(5) when a requestor fails by the payment date to pay in the manner prescribed.

(8) Payment should be made by check or money order to the office of the state treasurer. The office of the state treasurer prefers not to receive cash, and it is within the public records officer's discretion to determine the denomination of bills and coins that will be accepted.

NEW SECTION

WAC 389-06-100 Exemptions. (1) Records exempt from disclosure.

Some records are exempt from disclosure, in whole or in part. If the office of the state treasurer believes that a record is exempt from disclosure and should be withheld, the public records officer will state the specific exemption and provide a brief written explanation of why the record, or a portion of the record, is being withheld. If only a portion of a record is exempt from disclosure, but the remainder is not exempt, the public records officer will redact the exempt portions, provide the nonexempt portions, and indicate to the requestor why portions of the record are being redacted.

(2) **Protecting the rights of others.** If records to be produced in response to a request contain information that may affect the rights of others, the public records officer may, prior to providing the records, give notice to such others whose rights may be affected by the disclosure. The notice to the affected persons may include a copy of the request.

(3) **List of individuals.** The commission is prohibited by statute from disclosing a list of individuals for commercial purposes. The office of the state treasurer will require a commercial purpose declaration prior to disclosing a list of individuals. A copy of the commercial purpose declaration may be provided to individuals named in the records if such individuals are notified as described in subsection (2) of this section.

(a) For the purpose of this subsection, individuals means natural persons; provided, however, that a list that includes natural persons and entities or organizations is considered a list of individuals.

(b) For the purpose of this subsection, commercial purposes means activities of a requestor or their affiliates which are reasonably anticipated to result in the generation of revenue or be done for financial benefit.

NEW SECTION

WAC 389-06-110 Review of denials of public records requests.

(1) Requestors are encouraged to communicate with the public records officer regarding denials of public records requests.

(2) **Petition for internal administrative review.** Any person who objects to the denial or a partial denial of a request for a public record may petition for prompt review of such decision by submitting a written request for review to the public records officer at any of the methods of contact provided in this chapter. The written petition must specifically include the office-assigned request number and a copy of any written statement by the public records officer or other staff member which constituted or accompanied the denial.

(3) **Consideration of petition for review.** Immediately after receiving a written petition for review of a decision denying a public record, the public records officer or other staff member denying the request shall refer it to the treasurer, or the treasurer's designee, who shall consider the matter and either affirm or reverse such denial, or call a special meeting of the commission as soon as practicable to review the denial. In any case, the petition shall be returned with a final decision, within two business days following the receipt of the petition for review, or within such other time as the treasurer or designee and the requestor mutually agree.

(4) **Review by the office of the attorney general.** Pursuant to RCW 42.56.530, if the commission denies a requestor access to a public record because it claims the record is exempt in whole or in part from disclosure, the requestor may request the office of the attorney general to review the matter. The attorney general has adopted rules on such requests in WAC 44-06-160.

(5) **Judicial review.** Requestors may obtain court review of denials of public records requests pursuant to RCW 42.56.550.

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION No. 1291

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON AUTHORIZING THE OFFICE OF THE STATE TREASURER TO UNDERTAKE RULEMAKING ACTIVITY TO AMEND THE COMMITTEE'S PUBLIC RECORDS RULES, CHAPTER 210-06 WASHINGTON ADMINISTRATIVE CODE (WAC) AND APPROVING THE PROPOSED AMENDMENTS TO CHAPTER 210-06 WAC.

WHEREAS, the Office of the State Treasurer, as mandated by Revised Code of Washington (RCW) 43.33.030, functions as the administrative and clerical support to the State Finance Committee, including processing public records requests for State Finance Committee documents.

WHEREAS, revising the State Finance Committee's public records rules to harmonize them with those of the Office of the State Treasurer will produce increased efficiencies when processing public records requests.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FINANCE COMMITTEE acting for and on behalf of the State of Washington:

Section 1. The State Finance Committee directs the Office of the State Treasurer to proceed with the rulemaking process, in accordance with applicable law, to amend the regulations governing its public records, set forth in Chapter 210-06 WAC.

Section 2. The State Finance Committee approves the proposed amendments to Chapter 210-06 WAC as presented to the State Finance Committee today (Draft Rules).

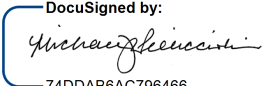
Section 3. In the event the Office of the State Treasurer does not receive substantive comments relating to the proposed amendments during the rulemaking process, the Draft Rules are considered approved for adoption by the State Finance Committee following the conclusion of the public hearing to be held pursuant to Chapter 34.05 RCW.

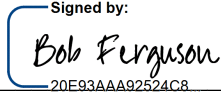
Section 4. In the event the Office of the State Treasurer does receive substantive comments to the proposed amendments during the rulemaking process, the State Finance Committee shall consider the comments at a special meeting and take such further action as it deems appropriate.

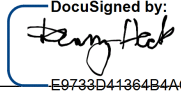
Section 5. This resolution shall be effective immediately upon its adoption.

ADOPTED at an open meeting of the State Finance Committee, State of Washington, held at Olympia, Washington, after notice thereof duly and regularly given as required by law, this 25th day of February 2025.

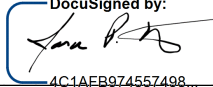
STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By  74DDAB6AC796466
Mike Pellicciotti
State Treasurer and Chair

By  20E93AAA92524C8
Bob Ferguson
Governor and Member

By  E9733D41364B4AC...
Denny Heck
Lieutenant Governor and Member

ATTEST:

 4C1AEB974557498...
Jason P. Richter
Deputy State Treasurer and Secretary

STATE FINANCE COMMITTEE

OLYMPIA, WASHINGTON

RESOLUTION No. 1292

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON APPOINTING THE PUBLIC RECORDS OFFICER FOR THE OFFICE OF THE STATE TREASURER AS THE COMMITTEE'S PUBLIC RECORDS OFFICER AS PROVIDED BY REVISED CODE OF WASHINGTON (RCW) 42.56.580.

WHEREAS, RCW 42.56.580 requires each agency to designate a public records officer and provide that officer's name and contact information via a filing in the Washington State Register.

WHEREAS, pursuant to RCW 42.56.580(1), the Public Records Act allows an agency to appoint an employee of another agency as its public records officer.

WHEREAS, the Office of the State Treasurer, as mandated by RCW 43.33.030, functions as the administrative and clerical support to the State Finance Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FINANCE COMMITTEE acting for and on behalf of the State of Washington:

Section 1. The State Finance Committee explicitly designates the Office of the State Treasurer's public records officer, *ex officio*, as the public records officer for the State Finance Committee.

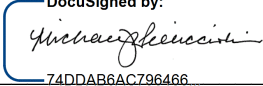
Section 2. The Office of the State Treasurer shall make the required filing with the Washington State Register.

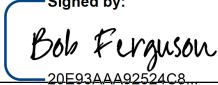
Section 3. This resolution shall be effective immediately upon its adoption.

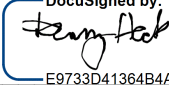
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ADOPTED at an open meeting of the State Finance Committee, State of Washington, held at Olympia, Washington, after notice thereof duly and regularly given as required by law, this 25th day of February 2025.

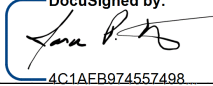
STATE FINANCE COMMITTEE
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Denny Heck
Lieutenant Governor and Member

ATTEST:


4C1AEB974557498
Jason P. Richter
Deputy State Treasurer and Secretary

Via email

Date: February 20, 2025
From: Richard E. Potter and John M. Gray
To: Jilene Siegel, Office of the State Treasurer
CC: Susan Dumph, Chair, Administrative Law Section, W.S.B.A.
Subj.: WSR 25-02-073 and -091

On behalf of the Administrative Law Section of the Washington State Bar Association, we are interested in participating in your office's consideration of adopting a new rule that would implement the records index required by section RCW [42.56.070](#) (5) of the Public Records Act.

Based on your current online Public Records Index¹ it appears that your office issues only one of the four types of documents covered by that statute: "(e) Policy statements as defined in RCW [34.05.010](#) that were entered after June 30, 1990."²

Below we offer comments and suggestions as to your Office's current index rule and a new index rule specific to policy statements.

The current rule is WAC [210-06-120](#). It applies only to "State Treasurer's Office (Finance Committee)."³ If there are other entities within the Office of the State Treasurer that issue policy statements and/or any of the three other types of documents listed in RCW 42.56.070(5), there need to be index rules that cover those documents.

The current WAC 210-06-120 has six subsections that list a large number of various types of documents that the Office will cover by indexes. Subsection (b) appears to name the "policy statements" that are covered by RCW 42.56.070 (5).

WAC 210-06-120 Records index.

(1) **Index.** The committee has available to all persons a current index which provides identifying information as to the following records issued, adopted or promulgated since June 30, 1972:

"(a) Final opinions, including concurring and dissenting opinions, as well as orders, made in the adjudication of cases;

¹ <https://tre.wa.gov/public-records-index>

² In the Administrative Procedure Act, RCW [34.05.010](#) : (15) "Policy statement" means a written description of the current approach of an agency, entitled a policy statement by the agency head or its designee, to implementation of a statute or other provision of law, of a court decision, or of an agency order, including where appropriate the agency's current practice, procedure, or method of action based upon that approach.

See also RCW [34.05.230](#) Interpretive and policy statements and RCW [34.05.220](#) Rules for agency procedure—Indexes of opinions and statements.

³ WSR 25-02-091 mentions both Title 210 WAC and Title 398 WAC. We see that the latter has practice and procedure rules for the Public Deposit Protection Commission, which does not contain a records index rule.

"(b) Those statements of policy and interpretations of policy, statute and the constitution which have been adopted by the agency;

"(c) Administrative staff manuals and instructions to staff that affect a member of the public;

"(d) Planning policies and goals, and interim and final planning decisions;

"(e) Factual staff reports and studies, factual consultant's reports and studies, scientific reports and studies, and any other factual information derived from tests, studies, reports or surveys, whether conducted by public employees or others; and

"(f) Correspondence, and materials referred to therein, by and with the agency relating to any regulatory, supervisory or enforcement responsibilities of the agency, whereby the agency determines, or opines upon, or is asked to determine or opine upon, the rights of the state, the public, a subdivision of state government, or of any private party."

(2) **Availability.** The current index promulgated by the committee shall be available to all persons under the same rules and on the same conditions as are applied to public records available for inspection.

[Order XII, § 210-06-120, filed 11/28/73.]

If your Office decides for reasons other than the index requirements of the Public Records Act or the Administrative Procedure Act to produce indexes of the other types of documents covered by the current rule, we would support that approach and, therefore, retaining this rule, updated as might be necessary. But compliance with RCW 42.56.070(5) should be covered by a new, separate rule.

The following excerpt from RCW 42.56.070(5) shows the requirements applicable to a policy statements index rule. (Line breaks and bullets have been added.)

(5) Each state agency shall, by rule, establish and implement a system of indexing for the identification and location of the following records:

(e) Policy statements as defined in RCW 34.05.010 that were entered after June 30, 1990.

Rules establishing systems of indexing shall include, but not be limited to,

- requirements for the form and content of the index,
- its location and availability to the public, and
- the schedule for revising or updating the index.

Below is a draft rule (with comments) for your consideration. It would apply to all entities within the Office of the State Treasurer that issue "policy statements."

RULE	COMMENTS
WAC xxx-xx-xxx Policy statements index	
(1) Purpose. This rule implements RCW 42.56.070(5) as it applies to [the agency]. Of the types of documents covered by that statute, [the agency] issues only policy statements as defined in RCW 34.05.010.	
(2) Form and content of the index. The index will list each policy statement by title, topics covered, adoption order number, date ranges of orders issuance (including any revisions), and by major agency program (if applicable).	Other identifying characteristics of a policy statement pertinent to the nature of the agency's operations should be added.
(3) Revising and updating index. Promptly on the issuance of any new policy statement, the statement will be added to the appropriate index. Promptly on the issuance of any revised policy statement, the revised statement will be added to the appropriate index.	For historical purposes, policy statements that have been replaced by revisions could remain in the index.
(a) Statements will be removed from an index when they no longer represent [the agency's] current position.	
(b) No less frequently than every [time period], [the agency] will review the index to ensure that they are current and complete.	To make sure the information provided to the public is current, this review should be frequent, e.g., no less than every 6 months.
(4) Location and availability of indexes and records. (a) The index and the records listed in it are located at [the agency's] office[s] at {address[es]}.	
(b) The index and the records listed in it are available for inspection and copying at [the agency's] office[s] during normal business hours, which are [state]. The process for obtaining such access is the same as for other public records, which is described in the agency's rule WAC xx-xx-yyy.	This implements the requirement of RCW 42.56.070 (1) that the agency make available all (non-exempt) records to the public.
(c) The index and the records listed in it are posted on the agency's website at [url]. In the index, each record listed has a hotlink that leads to the full record.	This implements the requirement of RCW 42.56.070(1) that the agency make available all (non-exempt) records to the public. ⁴ Best practice: cite to the specific indexes webpage, not just to the homepage. If only the home page is

⁴ In the Public Records Act, see this note to RCW [42.56.520](#): Finding—2010 c 69: "The internet provides for instant access to public records at a significantly reduced cost to the agency and the public. Agencies are encouraged to make commonly requested records available on agency websites. When an agency has made records available on its website, members of the public with computer access should be encouraged to preserve taxpayer resources by accessing those records online." [[2010 c 69 s 1](#).]

	given, the agency should ensure that an obvious link to “Records indexes” is always on the homepage.
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We see that the Office has an index of policy statements available on its website at <https://tre.wa.gov/public-records-index>.

That index does not have all the identifying information recommended in part (2) of our draft rule.

Also, it does not have hotlinks to the documents. We tried finding a handful of the listed documents by using the search function on the Office’s website and did not find any of those statements.



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer

BOB FERGUSON
Governor

DENNY HECK
Lieutenant Governor

- SECTION 9 -

Informational Item

Bond Sale and Market Update

Office of the State Treasurer

P.O. Box 40200 Olympia, Washington 98504-0200
(360) 902-9000 • TTY USERS: CALL 711 • FAX (360) 902-9037
www.tre.wa.gov



State of Washington
STATE FINANCE COMMITTEE

MIKE PELLICCIOTTI, Chair
State Treasurer
BOB FERGUSON
Governor
DENNY HECK
Lieutenant Governor

July 8, 2025

MEMORANDUM

TO: The Honorable Mike Pellicciotti
The Honorable Bob Ferguson
The Honorable Denny Heck

FROM: Jason P. Richter, Deputy State Treasurer and Secretary, State Finance Committee

RE: **Bond Sales and Market Update**

Sales Update

Since the last State Finance Committee meeting on February 25, 2025, the state has sold two series of refunding bonds and one series of Certificates of Participation (COPs).

Refunding Bonds

Series	Par Amount	Final Maturity	Avg. Life (Years)	TIC ¹
<u>April 25, 2025</u>				
VP GO Refunding Bonds, Series R-2025D	\$ 360,010,000	8/1/2040	9.099	3.81%
MVFT & VRF GO Refunding Bonds, Series 2025E	129,840,000	8/1/2040	9.069	3.81%

Certificates of Participation

Series	Par Amount	Final Maturity	Avg. Life (Years)	TIC
<u>May 15, 2025</u>				
State of WA COP, LP_2025B	\$ 28,465,000	7/1/2045	4.258	3.28%

Refunding Savings

The refunding bonds, which are bonds issued to refinance existing debt, produced \$59.8 million in total debt service savings for the state, or around \$45.8 million of savings on a net present value (NPV) basis.

Series	Par Amount	Gross Savings	NPV Savings	PV Savings %
VP GO Refunding Bonds, Series R-2025D	\$ 360,010,000	\$ 44,008,861	\$ 33,647,882	9.35%
MVFT & VRF GO Refunding Bonds, Series 2025E	129,840,000	15,838,386	12,110,330	9.33%
	\$ 489,850,000	\$ 59,847,247	\$ 45,758,212	

¹ True Interest Cost (TIC)

Future Issuances

The next new money bond sale is scheduled to take place on July 31st, with the next COP issuance expected in November 2025. The size and timing of these issuances will be primarily dependent upon the state's capital budget and transportation budget cash-flow needs and the number and size of state and local government financing contracts.

Future Refinancings

The Office of the State Treasurer actively monitors the state's debt portfolio for refinancing opportunities. The following table shows the dollar amount of outstanding bonds that are callable over the 2025-27 and 2027-29 biennia.

Fiscal Year	Refundable Par
2026	\$1,741,810,000
2027	1,462,050,000
2028	801,635,000
2029	1,024,475,000
	<hr/> \$5,029,970,000

Market Update

Overall, market rates have trended upward for several quarters. Geopolitical conflicts and domestic policy changes, as well as lingering concerns about inflation, contribute to uncertainty in the bond market. A significant change that occurred since the last SFC meeting is that borrowing rates in the municipal market have risen above the 30-year and 100-year averages. The current rate is still below the 50-year average.

The Bond Buyer 20-Bond Index (BBI) has risen steadily since 2024, reaching a relative highpoint of 5.20% on June 26, 2025, which is 22.4% higher than it was reported at the last SFC meeting (4.25% on February 20, 2025).

- Chart 1 below shows the BBI over the last three years.
- Chart 2 shows the BBI since 1900 and highlights the 30-, 50-, and 100-year averages.
- Table 1 shows the TIC for all the state's new money tax-exempt bonds issued since January 1, 2022.

Chart 1

Weekly Bond Buyer 20-Bond Index (BBI)
General Obligation Bond Interest Rate Trends
(36 Months, as of 6/26/2025)

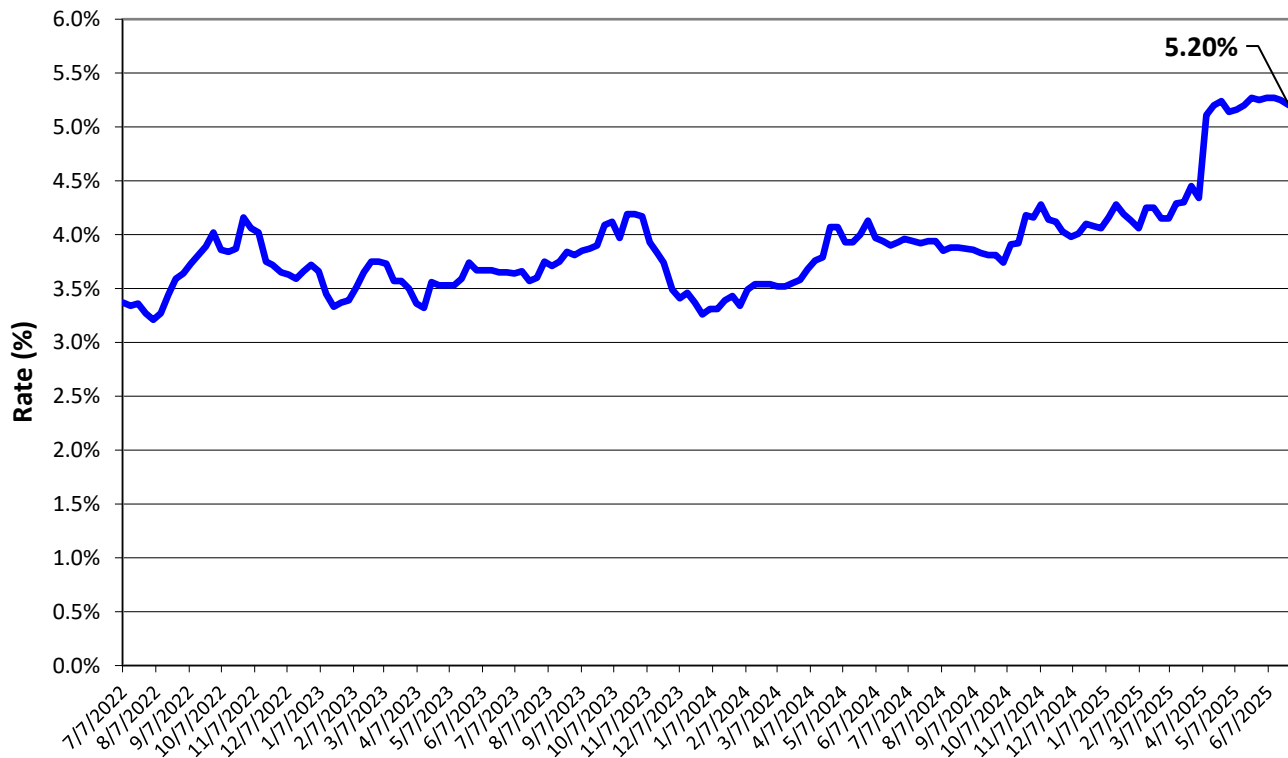


Chart 2

Weekly Bond Buyer 20-Bond Index (BBI)

Annual Averages: 1900 - 2025, as of 6/26/2025

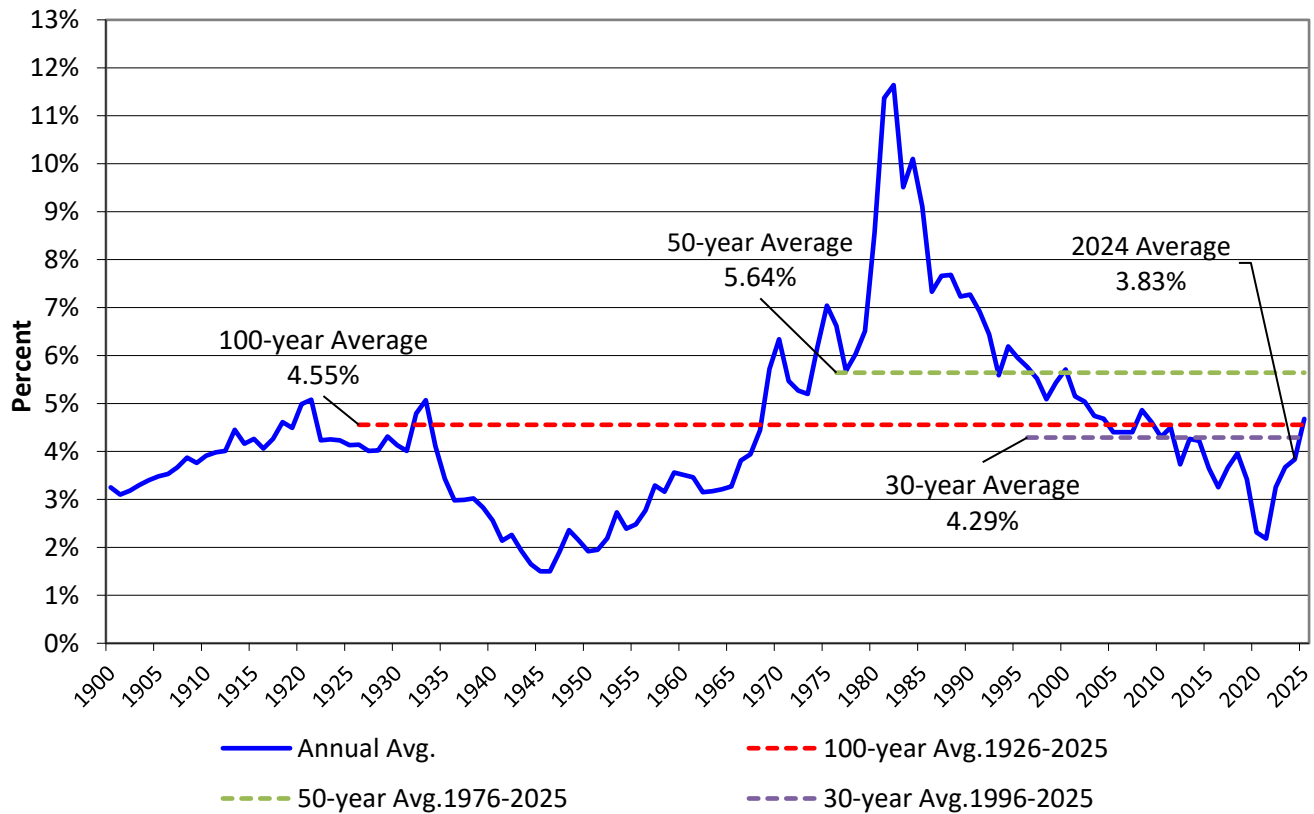


Table 1

New Money Tax-Exempt Bonds, 2022-2025

Series Name	Series	Sale Date	Par Amount	Final Maturity	TIC
VP GO Bonds, Series 2022C	2022C	2/8/2022	749,490,000	2/1/2047	2.84%
VP GO Bonds, Series 2023A	2023A	7/19/2022	693,905,000	8/1/2047	3.75%
VP GO Bonds, Series 2023B	2023B	1/18/2023	603,020,000	2/1/2048	3.57%
MVFT & VRF GO Bonds, Series 2023C	2023C	1/18/2023	90,165,000	6/1/2048	3.57%
VP GO Bonds, Series 2024A	2024A	7/25/2023	682,590,000	8/1/2048	3.83%
MVFT & VRF GO Bonds, Series 2024B	2024B	7/25/2023	376,615,000	6/1/2048	3.82%
VP GO Bonds, Series 2024C	2024C	1/23/2024	663,845,000	2/1/2049	3.87%
MVFT & VRF GO Bonds, Series 2024D	2024D	1/23/2024	265,995,000	6/1/2049	3.86%
VP GO Bonds, Series 2025A	2025A	6/25/2024	\$822,015,000	8/1/2049	3.95%
MVFT & VRF GO Bonds, Series 2025B	2025B	6/25/2024	\$206,670,000	6/1/2049	3.96%
VP GO Bonds, Series 2025C	2025C	1/22/2025	\$748,720,000	2/1/2050	4.11%
MVFT & VRF GO Bonds, Series 2025D	2025D	1/22/2025	\$420,445,000	6/1/2050	4.10%