



JAMES L. McINTIRE  
State Treasurer

State of Washington  
Office of the Treasurer

February 10, 2016

Karen Scofield  
Wells Fargo Bank, N.A.  
608 2<sup>nd</sup> Avenue South, Suite 900  
MAC N9303-09B  
Minneapolis, Minnesota 55402-1916

RE: Letter of Agreement

Dear Karen:

Pursuant to Section VI ("MODEL CONTRACT AND LETTER OF AGREEMENT SPECIFICATIONS") contained in the "Statewide Securities Custody Service Provider—*Request for Proposal* (October 30, 2015) ("RFP"), we hereby award this Letter of Agreement to Wells Fargo Bank, N.A. (the "Bank") for statewide custody services for the state of Washington.

The term of this Letter of Agreement shall be four years commencing April 1, 2016 and terminating on March 31, 2020, unless the Office of the Treasurer ("OST") and the Bank mutually agree to extend this Letter of Agreement for a four-year period, or portions thereof. The total Letter of Agreement term shall not exceed eight years. OST may terminate this Letter of Agreement for convenience upon 180 calendar days' written notice to the Bank.

By this Letter of Agreement, the Bank agrees to offer custody services to any eligible entity within the State consistent with requirements, terms and conditions contained in the RFP and the Model Statewide Contract for Custody Services, which are hereby incorporated by reference. The Bank agrees to provide custody services at the costs, rates and fees set forth in its December 3, 2015 proposal in response to the RFP ("Proposal"), which Proposal is hereby incorporated by reference. OST and the Bank agree eligible entities contracting for custody services may alter the terms of the Model Contract by mutual agreement with the Bank.

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

contract with a termination date exceeding the termination date of its appointment as the statewide custodian under this Letter of Agreement.

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

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

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

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

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

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

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




this Agreement, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

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

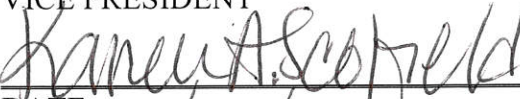
APPROVED

STATE OF WASHINGTON  
JAMES L. MCINTIRE  
STATE TREASURER

  
DATE 2-10-16

APPROVED

WELLS FARGO BANK, N.A., as custodian  
VICE PRESIDENT

  
DATE 2/16/16

APPROVED AS TO FORM

THE STATE OF WASHINGTON  
OFFICE OF THE ATTORNEY GENERAL

  
SIGNATURE

Assistant Attorney General  
TITLE

2/16/16  
DATE