

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

Ratings :
Fitch: AA
Moody's: Aa1
Standard & Poor's: AA+

\$298,800,000

Various Purpose General Obligation Bonds, Series 2010A

\$401,410,000

Motor Vehicle Fuel Tax General Obligation Bonds, Series 2010B

\$64,905,000

General Obligation Bonds, Series 2010T (Taxable)

Dated: Date of Initial Delivery
(Expected July 28, 2009)

Due: August 1, as shown herein

The Series 2010A Bonds, the Series 2010B Bonds, and the Series 2010T Bonds (collectively, the "Bonds") are general obligations of the State of Washington (the "state") to which the state has pledged its full faith, credit and taxing power. The Series 2010B Bonds are first payable from state excise taxes on motor vehicle and special fuels.

Interest on the Bonds is payable semiannually on each February 1 and August 1, beginning February 1, 2010. The principal of the Series 2010A Bonds is payable on its stated maturities on each August 1 in the years 2017 through and including 2034, as set forth on page i hereof. The principal of the Series 2010B Bonds is payable on its stated maturities on each August 1 in the years 2010 through and including 2034, as set forth on page ii hereof. The principal of the Series 2010T Bonds is payable on its stated maturities on each August 1 in the years 2010 through and including 2016, as set forth on page iii hereof. The Series 2010A Bonds and Series 2010B Bonds are subject to redemption prior to maturity at the times and prices set forth herein under "The Bonds—Redemption Provisions." The Series 2010T Bonds are not subject to redemption prior to maturity.

The Bonds are issuable as fully registered bonds under a book-entry only system, initially registered in the name of Cede & Co. (the "Registered Owner"), as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. The Bonds will be issued in the denomination of \$5,000 each or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency of the state, as paying agent, registrar, transfer agent, and authenticating agent (the "Bond Registrar") (currently The Bank of New York Mellon), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds, as described herein under "The Bonds—Book-Entry System."

In the opinion of Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issue date of the Series 2010A Bonds and the Series 2010B Bonds (collectively, the "Tax-Exempt Bonds"), interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is not subject to the federal alternative minimum tax. However, interest on the Tax-Exempt Bonds received by certain S corporations may be subject to tax, and interest on the Tax-Exempt Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax. Receipt of interest on the Tax-Exempt Bonds may have other federal tax consequences for certain taxpayers. Interest on the Series 2010T Bonds is not excluded from gross income for federal income tax purposes. See "Tax Exemption of the Series 2010A Bonds and the Series 2010B Bonds" and "Certain Other Federal Tax Consequences" under "Tax and Legal Information" herein.

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It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about July 28, 2009.

Chapter 500, Laws of 2009 (Substitute Senate Bill 5537), effective July 1, 2009, repealed the statutory debt limit with the result that there is now a single debt limit: the constitutional debt limit. This will increase the transparency of this calculation for the public and interested parties.

Another change made by the Legislature will also result in the state's ability to incur additional debt under the constitutional debt limit. ESSB 5073 merged the following accounts into the General Fund: Health Services, Public Safety and Education, Equal Justice, Student Achievement, Water Quality, and Violence Reduction and Drug Enforcement. The bill also deletes the statutory dedication of these revenues with the exception of the revenues into the Student Achievement Account. The resulting increases in revenues treated as general state revenues will have the effect of increasing the base against which the constitutional debt limit is measured, as well as increasing deposits to the Budget Stabilization Account (the Rainy Day Fund). See the information under "Indebtedness—General Obligation Debt" below.

Transportation Budget

The Legislature passed the state transportation budget for the 2007-09 Biennium on April 21, 2007, and the Governor signed the bill on May 15, 2007. The total \$7.6 billion budget included \$4.6 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contained funding for the Washington State Patrol, the Department of Licensing and other transportation agencies. The budget included \$860 million for the SR 520 project and created a \$1 billion reserve from which either SR 520 or the Alaskan Way Viaduct can draw. The Regional Transportation Investment District, tolling and other funding mechanisms were used to fund the remainder of the project costs. On March 4, 2009, the Legislature passed ESHB 1978, which was signed by the Governor on March 5th. The bill included both the 2009 supplemental budget and the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects, and included a total funding level of \$7.2 billion for transportation.

The Legislature passed the state transportation budget for the 2009-11 Biennium on April 25, 2009. The total \$7.7 billion budget includes \$4.4 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies.  **The budget includes a deep bored tunnel to replace the Alaskan Way Viaduct**, funded from a combination of \$2.4 million from the state, local funding, and as much as \$400 million in toll revenue. The Legislature authorized tolling on the SR 520 Bridge beginning in 2010. The total cost of the SR 520 project may not exceed \$4.65 billion. Improvements to I-90 across Snoqualmie Pass include adding an additional lane in each direction, extending chain-up areas, building several new bridges, and improving culverts. This \$595 million project will be operationally complete in 2015. The budget also provides \$11 million for the purchase of three 64-auto ferries that will go into service in June 2010, August 2011, and August 2012. The bill reappropriates the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects. Any amount spent in Fiscal Year 2009 was reduced from this funding level once the 2007-09 Biennium was closed.

Accounting and Auditing

The state's accounting records are maintained in conformance with generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"). The accounting system produces monthly financial statements at the state-wide combined level and at the agency level, which are used in the preparation of the state's fiscal year Comprehensive Annual Financial Report ("CAFR").

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the state for its CAFR for each of the Fiscal Years 1987 through 2007.

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

Ratings:
Fitch: AA
Moody's: Aa1
Standard & Poor's: AA+

\$386,380,000

VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS, SERIES R-2010A

Dated: Date of Initial Delivery
(Expected July 8, 2009)

Due: January 1, as shown herein

The Bonds are general obligations of the State of Washington (the "state") to which the state has pledged its full faith, credit and taxing power.

Interest on the Bonds is payable semiannually on each January 1 and July 1, beginning January 1, 2010. The principal of the Bonds is payable on its stated maturities on each January 1 in the years 2010 through and including 2024, as set forth on page i hereof. The Bonds are subject to redemption prior to maturity at the times and prices set forth herein under "The Bonds—Redemption Provisions."

The Bonds are issuable as fully registered bonds under a book-entry only system, initially registered in the name of Cede & Co. (the "Registered Owner"), as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. The Bonds will be issued in the denomination of \$5,000 each or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency of the state, as paying agent, registrar, transfer agent, and authenticating agent (the "Bond Registrar") (currently The Bank of New York Mellon), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds, as described herein under "The Bonds—Book-Entry System."

In the opinion of Bond Counsel to the state, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issue date of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax applicable to individuals. However, while interest on the Bonds also is not an item of tax preference for purposes of the alternative minimum tax applicable to corporations, interest on the Bonds is to be taken into account in the computation of adjusted current earnings for purposes of the alternative minimum tax applicable to corporations, interest on the Bonds received by certain S corporations may be subject to tax, and interest on the Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax. Receipt of interest on the Bonds may have other federal tax consequences for certain taxpayers. See "Tax Exemption of the Bonds" and "Certain Other Federal Tax Consequences" under "Tax and Legal Information" herein.

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It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about July 8, 2009.

Diesel Emissions Reduction, Water Pollution Control Revolving Fund Program, Habitat Restoration Grants, and Hazardous Fuels Reduction, Forest Health, and Ecosystem Improvements.

A bill that passed the Legislature (Substitute Senate Bill 5537) repealed the statutory debt limit with the result that there is now a single constitutional debt limit. This will increase the transparency of this calculation for the public and interested parties.

Another change made by the Legislature will also result in the state's ability to incur additional debt under the constitutional debt limit. ESSB 5073 merged the following accounts into the General Fund: Health Services, Public Safety and Education, Equal Justice, Student Achievement, Water Quality, and Violence Reduction and Drug Enforcement. The bill also deletes the statutory dedication of these revenues with the exception of the revenues into the Student Achievement Account. The resulting increases in revenues treated as general state revenues will have the effect of increasing the base against which the constitutional debt limit is measured, as well as increasing deposits to the Budget Stabilization Account (the Rainy Day Fund). See the information under "Indebtedness—General Obligation Debt" below.

Transportation Budget

The Legislature passed the state transportation budget for the 2007-09 Biennium on April 21, 2007, and the Governor signed the bill on May 15, 2007. The total \$7.6 billion budget includes \$4.6 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies. The budget includes \$860 million for the SR 520 project and creates a \$1 billion reserve from which either SR 520 or the Alaskan Way Viaduct can draw. The Regional Transportation Investment District, tolling and other funding mechanisms will be used to fund the remainder of the project costs. On March 4, 2009, the Legislature passed ESHB 1978, which was signed by the Governor on March 5th. The bill included both the 2009 supplemental budget and the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects, and included a total funding level of \$7.2 billion for transportation.

The Legislature passed the state transportation budget for the 2009-11 Biennium on April 25, 2009. The total \$7.7 billion budget includes \$4.4 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies. **The budget includes a deep bored tunnel to replace the Alaskan Way Viaduct, funded from a combination** of \$2.4 billion from the state, local funding, and as much as \$400 million in toll revenue. The Legislature authorized tolling on the SR 520 Bridge beginning in 2010. The total cost of the SR 520 project may not exceed \$4.65 billion. Improvements to I-90 across Snoqualmie Pass include adding an additional lane in each direction, extending chain-up areas, building several new bridges, and improving culverts. This \$595 million project will be operationally complete in 2015. The budget also provides \$11 million for the purchase of three 64-auto ferries that will go into service in June 2010, August 2011, and August 2012, respectively. The bill reappropriates the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects. Any amount spent in Fiscal Year 2009 will be reduced from this funding level once the 2007-09 Biennium is closed.

Accounting and Auditing

The state's accounting records are maintained in conformance with generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"). The accounting system produces monthly financial statements at the state-wide combined level and at the agency level, which are used in the preparation of the state's fiscal year Comprehensive Annual Financial Report ("CAFR").

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

Ratings:
Fitch Ratings: AA
Moody's: Aa1
Standard & Poor's: AA+
(See "Other Bond
Information—Ratings.")

\$503,365,000

MOTOR VEHICLE FUEL TAX GENERAL OBLIGATION BONDS, SERIES 2010D (TAXABLE BUILD AMERICA BONDS-DIRECT PAYMENT)

Dated: Date of Initial Delivery

Due: August 1, as shown on inside cover page

The Motor Vehicle Fuel Tax General Obligation Bonds, Series 2010D (Taxable Build America Bonds-Direct Payment) (the "Bonds") are general obligations of the State of Washington (the "state") to which the state has pledged its full faith, credit and taxing power. The Bonds are first payable from state excise taxes on motor vehicle and special fuels.

Interest on the Bonds is payable semiannually on each February 1 and August 1, beginning February 1, 2010. The Bonds are stated to mature on each August 1, as set forth on the inside cover page. The Bonds are subject to redemption prior to maturity at the times and prices set forth herein under "The Bonds—Redemption Provisions."

The Bonds are issuable as fully registered bonds under a book-entry only system, initially registered in the name of Cede & Co. (the "Registered Owner"), as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. The Bonds will be issued in the denomination of \$5,000 each or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency of the state, as paying agent, registrar, transfer agent, and authenticating agent (the "Bond Registrar") (currently The Bank of New York Mellon), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds, as described herein under "The Bonds—Book-Entry System."

In the opinion of Bond Counsel, interest on the Bonds is not excluded from gross income for federal income tax purposes. See "Tax and Legal Information—Tax Matters" herein.

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It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about October 22, 2009.

GOLDMAN, SACHS & CO.

J.P. MORGAN

(Joint Book-Running Managers)

MERRILL LYNCH & CO.

Barclays Capital

Citi

Morgan Stanley

Chapter 500, Laws of 2009 (Substitute Senate Bill 5537), effective July 1, 2009, repealed the statutory debt limit with the result that there is now a single debt limit: the constitutional debt limit. This will increase the transparency of this calculation for the public and interested parties.

Another change made by the Legislature will also result in the state's ability to incur additional debt under the constitutional debt limit. ESSB 5073 merged the following accounts into the General Fund: Health Services, Public Safety and Education, Equal Justice, Student Achievement, Water Quality, and Violence Reduction and Drug Enforcement. The bill also deletes the statutory dedication of these revenues with the exception of the revenues into the Student Achievement Account. The resulting increases in revenues treated as general state revenues will have the effect of increasing the base against which the constitutional debt limit is measured, as well as increasing deposits to the Budget Stabilization Account (the Rainy Day Fund). See the information under "Indebtedness—General Obligation Debt" below.

Transportation Budget

The Legislature passed the state transportation budget for the 2009-11 Biennium on April 25, 2009. The total \$7.7 billion budget includes \$4.4 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies. **The budget includes a deep bored tunnel to replace the Alaskan Way Viaduct,** to be funded from a combination of \$2.4 million from the state, local funding, and as much as \$400 million in toll revenue. The Legislature authorized tolling on the SR 520 Bridge beginning in 2010. The total cost of the SR 520 project may not exceed \$4.65 billion. Improvements to I-90 across Snoqualmie Pass include adding an additional lane in each direction, extending chain-up areas, building several new bridges, and improving culverts. This \$595 million project will be operationally complete in 2015. The budget also provides \$11 million for the purchase of three 64-auto ferries that will go into service in June 2010, August 2011, and August 2012. The bill reappropriates the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects. Any amount spent in Fiscal Year 2009 was reduced from this funding level once the 2007-09 Biennium was closed.

Accounting and Auditing

The state's accounting records are maintained in conformance with generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"). The accounting system produces monthly financial statements at the state-wide combined level and at the agency level, which are used in the preparation of the state's fiscal year Comprehensive Annual Financial Report ("CAFR").

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the state for its CAFR for each of the Fiscal Years 1987 through 2008.

The State Auditor, an independent elected official, audits the state-wide combined financial statements each fiscal year. Such audits are required to include determinations as to the validity and accuracy of accounting methods, procedures and standards utilized in preparation of such financial statements, as well as the accuracy of such financial statements themselves.

The state's fiscal 2008 CAFR contains annual financial statements prepared in accordance with GAAP as promulgated by GASB (the "2008 Annual Financial Statements"), a copy of which has been filed with each nationally recognized municipal securities information repository ("NRMSIR"). The state's 2008 audited General Purpose Financial Statements are attached as Appendix D. Copies of the state's entire 2008 CAFR are available on the OFM's website at <http://www.ofm.wa.gov/cafr/2007/default.asp>, which website is not incorporated herein by reference.

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

Ratings:
Fitch Ratings: AA
Moody's: Aa1
Standard & Poor's: AA+
(See "Other Bond Information—Bond Ratings.")

\$229,970,000

Various Purpose General Obligation Bonds, Series 2010C

\$215,500,000

Various Purpose General Obligation Refunding Bonds, Series R-2010B

\$121,235,000

Motor Vehicle Fuel Tax General Obligation Refunding Bonds, Series R-2010C

Dated: Date of Initial Delivery

Due: Series 2010C: August 1
Series R-2010B and Series R-2010C: January 1,
as shown herein

The Series 2010C Bonds, the Series R-2010B Bonds and the Series R-2010C Bonds referenced above (collectively, the "Bonds") are general obligations of the State of Washington (the "state") to which the state has pledged its full faith, credit and taxing power. The Series R-2010C Bonds are first payable from state excise taxes on motor vehicle and special fuels.

Interest on the Series 2010C Bonds is payable semiannually on each February 1 and August 1, beginning February 1, 2010. Interest on the Series R-2010B Bonds and the Series R-2010C Bonds (together, the "Refunding Bonds") is payable semiannually on each January 1 and July 1, beginning January 1, 2010. The principal of the Series 2010C Bonds is payable on the stated maturities on each August 1 as set forth on page i hereof. The principal of the Refunded Bonds is payable on its stated maturities on each January 1 as set forth on pages ii and iii hereof. The Bonds are subject to redemption prior to maturity at the times and prices set forth herein under "The Bonds—Redemption Provisions."

The Bonds are issuable as fully registered bonds under a book-entry only system, initially registered in the name of Cede & Co. (the "Registered Owner"), as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. The Bonds will be issued in the denomination of \$5,000 each or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency of the state, as paying agent, registrar, transfer agent, and authenticating agent (the "Bond Registrar") (currently The Bank of New York Mellon), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds, as described herein under "The Bonds—Book-Entry System."

In the opinion of Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issue date of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not subject to the federal alternative minimum tax, except that interest on the Series R-2010B Bonds and the Series R-2010C Bonds received by corporations is taken into account in the computation of adjusted current earnings for purposes of the alternative minimum tax applicable to corporations. Interest on the Bonds received by certain S corporations may be subject to tax, interest on the Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax, and receipt of interest on the Bonds may have other federal tax consequences for certain taxpayers. See "Tax Exemption of the Bonds" and "Certain Other Federal Tax Consequences" under "Tax and Legal Information."


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It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about October 28, 2009.

Chapter 500, Laws of 2009 (Substitute Senate Bill 5537), effective July 1, 2009, repealed the statutory debt limit with the result that there is now a single debt limit: the constitutional debt limit. This will increase the transparency of this calculation for the public and interested parties.

Another change made by the Legislature will also result in the state's ability to incur additional debt under the constitutional debt limit. ESSB 5073 merged the following accounts into the General Fund: Health Services, Public Safety and Education, Equal Justice, Student Achievement, Water Quality, and Violence Reduction and Drug Enforcement. The bill also deletes the statutory dedication of these revenues with the exception of the revenues into the Student Achievement Account. The resulting increases in revenues treated as general state revenues will have the effect of increasing the base against which the constitutional debt limit is measured, as well as increasing deposits to the Budget Stabilization Account (the Rainy Day Fund). See the information under "Indebtedness—General Obligation Debt" below.

Transportation Budget

The Legislature passed the state transportation budget for the 2009-11 Biennium on April 25, 2009. The total \$7.7 billion budget includes \$4.4 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies.  **The budget includes a deep bored tunnel to replace the Alaskan Way Viaduct,** to be funded from a combination of \$2.4 million from the state, local funding, and as much as \$400 million in toll revenue. The Legislature authorized tolling on the SR 520 Bridge beginning in 2010. The total cost of the SR 520 project may not exceed \$4.65 billion. Improvements to I-90 across Snoqualmie Pass include adding an additional lane in each direction, extending chain-up areas, building several new bridges, and improving culverts. This \$595 million project will be operationally complete in 2015. The budget also provides \$11 million for the purchase of three 64-auto ferries that will go into service in June 2010, August 2011, and August 2012. The bill reappropriates the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects. Any amount spent in Fiscal Year 2009 was reduced from this funding level once the 2007-09 Biennium was closed.

Accounting and Auditing

The state's accounting records are maintained in conformance with generally accepted accounting principles ("GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"). The accounting system produces monthly financial statements at the state-wide combined level and at the agency level, which are used in the preparation of the state's fiscal year Comprehensive Annual Financial Report ("CAFR").

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The state's fiscal 2008 CAFR contains annual financial statements prepared in accordance with GAAP as promulgated by GASB (the "2008 Annual Financial Statements"), a copy of which has been filed with each nationally recognized municipal securities information repository ("NRMSIR"). The state's 2008 audited General Purpose Financial Statements are attached as Appendix D. Copies of the state's entire 2008 CAFR are available on the OFM's website at <http://www.ofm.wa.gov/cafr/2007/default.asp>, which website is not incorporated herein by reference.

NEW ISSUE, BOOK-ENTRY ONLY



STATE OF WASHINGTON

Ratings
Fitch Ratings: AA
Moody's: Aa1
Standard & Poor's: AA+
(See "Other Bond
Information—Bond
Ratings.")

\$487,950,000

VARIOUS PURPOSE GENERAL OBLIGATION BONDS, SERIES 2010E

Dated: Date of Initial Delivery

Due: February 1
as shown on inside cover

The State of Washington Various Purpose General Obligation Bonds, Series 2010E (the "Bonds") are general obligations of the State of Washington (the "state") to which the state has pledged its full faith, credit and taxing power.

Interest on the Bonds is payable semiannually on each February 1 and August 1, beginning August 1, 2010. The principal of the Bonds is payable on the stated maturities on each February 1 as set forth on the inside cover hereof. The Bonds are subject to redemption prior to maturity at the times and prices set forth herein under "The Bonds—Redemption Provisions."

The Bonds are issuable as fully registered bonds under a book-entry only system, initially registered in the name of Cede & Co. (the "Registered Owner"), as bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. The Bonds will be issued in the denomination of \$5,000 each or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency of the state, as paying agent, registrar, transfer agent, and authenticating agent (the "Bond Registrar") (currently The Bank of New York Mellon), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds, as described herein under "The Bonds—Book-Entry System."

In the opinion of Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issue date of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not subject to the federal alternative minimum tax. Interest on the Bonds received by certain S corporations may be subject to tax, interest on the Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax, and receipt of interest on the Bonds may have other federal tax consequences for certain taxpayers. See "Tax Exemption of the Bonds" and "Certain Other Federal Tax Consequences" under "Tax and Legal Information."

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It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about January 27, 2010.

debt limit is measured, as well as increasing deposits to the Budget Stabilization Account (the Rainy Day Fund). See the information under “Indebtedness—General Obligation Debt” below.

Transportation Budget

The Legislature passed the state transportation budget for the 2009-11 Biennium on April 25, 2009. The total \$7.7 billion budget includes \$4.4 billion for the Department of Transportation capital funding for roads, bridges, ferries, rail, and transit improvements. The transportation budget bill also contains funding for the Washington State Patrol, the Department of Licensing and other transportation agencies. The budget includes a deep bored tunnel to replace the Alaskan Way Viaduct, to be funded from a combination of \$2.4 million from the state, local funding, and as much as \$400 million in toll revenue. The Legislature authorized tolling on the SR 520 Bridge beginning in 2010. The total cost of the SR 520 project may not exceed \$4.65 billion. Improvements to I-90 across Snoqualmie Pass include adding an additional lane in each direction, extending chain-up areas, building several new bridges, and improving culverts. This \$595 million project will be operationally complete in 2015. The budget also provides \$11 million for the purchase of three 64-auto ferries that will go into service in June 2010, August 2011, and August 2012. The bill reappropriates the \$341 million in federal stimulus funding that will be awarded to the state for highway/transportation projects. Any amount spent in Fiscal Year 2009 was reduced from this funding level once the 2007-09 Biennium was closed.

Accounting and Auditing

The state’s accounting records are maintained in conformance with generally accepted accounting principles (“GAAP”), as promulgated by the Governmental Accounting Standards Board (“GASB”). The accounting system produces monthly financial statements at the state-wide combined level and at the agency level, which are used in the preparation of the state’s fiscal year Comprehensive Annual Financial Report (“CAFR”).

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the state for its CAFR for each of the Fiscal Years 1987 through 2008.

The State Auditor, an independent elected official, audits the state-wide combined financial statements each fiscal year. Such audits are required to include determinations as to the validity and accuracy of accounting methods, procedures and standards utilized in preparation of such financial statements, as well as the accuracy of such financial statements themselves.

The state’s fiscal 2009 CAFR contains annual financial statements prepared in accordance with GAAP as promulgated by GASB (the “2009 Annual Financial Statements”), a copy of which has been filed with each nationally recognized municipal securities information repository (“NRMSIR”). The state’s 2009 audited General Purpose Financial Statements are attached as Appendix D. Copies of the state’s entire 2009 CAFR are available on the OFM’s website at <http://www.ofm.wa.gov/cafr/2009/default.asp>, which website is not incorporated herein by reference.

INVESTMENTS

The State Treasurer’s Office is responsible for the investment management of the state’s operating funds totaling approximately \$2 billion to \$6 billion from time to time through its Treasurer’s Cash Management Account (the “CMA”). The Treasurer also is responsible for administering the Washington State Local Government Investment Pool (the “LGIP”), an approximately \$6 billion to \$10 billion fund that invests money on behalf of more than 400 cities, counties, special purpose districts, and higher education institutions.