



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

February 23, 2009

Motion 12927

Proposed No. 2009-0057.2

Sponsors Gossett

1 A MOTION of the county council approving the sale of the
2 county's Multi-Modal Limited Tax General Obligation
3 Bonds, 2009, Series A, in the aggregate principal amount of
4 \$50,000,000, and the terms and conditions thereof, as set
5 forth in a bond purchase contract therefor, approving and
6 authorizing the execution of such bond purchase contract,
7 appointing a remarketing agent for such bonds and
8 approving and authorizing the execution of a remarketing
9 agreement therefor, confirming the selection of an initial
10 liquidity provider for such bonds and approving and
11 authorizing the execution of the initial liquidity facility
12 therefor, approving and authorizing the execution of a
13 variable rate bond agreement therefor, and determining the
14 application of the sale proceeds of such bonds, all in
15 accordance with Ordinance 14167, as amended by
16 Ordinance 14463, Ordinance 14745, Ordinance 14992,
17 Ordinance 15285, Ordinance 15604 and Ordinance 16361.

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WHEREAS, pursuant to Ordinance 14167, the county council authorized the issuance of one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed \$125,000,000 to provide long-term financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project and the Regional Communications and Emergency Control Center Project, each defined and described in Ordinance 14167, and further authorized the issuance and public sale of one or more series of its limited tax general obligation bond anticipation notes in an outstanding aggregate principal amount not to exceed \$125,000,000 to provide interim financing for such projects pending the issuance of the bonds, and

WHEREAS, pursuant to Ordinance 14463, the county council amended Ordinance 14167 to revise the description of the North Rehabilitation Facility Project and to augment the projects authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes by the addition of the Courthouse Earthquake Repairs, all as defined and described in Ordinance 14463, and

WHEREAS, pursuant to Ordinance 14745, the county council amended Ordinance 14167, as previously amended by Ordinance 14463, to add the Integrated Security and Jail Health Remodel Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to \$145,000,000 as

40 a result; and to amend certain provisions of Ordinance 14167, as previously amended by
41 Ordinance 14463, pertaining to such bonds and bond anticipation notes, and

42 WHEREAS, pursuant to Ordinance 14992, the county council amended
43 Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, to
44 add the Courthouse Lobby Project and the Jail ITR Remodel Project to the list of projects
45 that are authorized to be financed, on a long-term basis, by such bonds, and pending the
46 sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the
47 maximum outstanding aggregate principal amount of such bonds and bond anticipation
48 notes to \$150,000,000 as a result; and to amend certain provisions of Ordinance 14167,
49 as previously amended by Ordinance 14463 and Ordinance 14745, pertaining to such
50 bonds and bond anticipation notes, and

51 WHEREAS, pursuant to Ordinance 15285, the county council amended
52 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745 and
53 Ordinance 14992, to add the Orcas Building Acquisition and Tenant Improvement
54 Project, the PAO 4th Floor Courthouse Move Project, the Pedestrian Tunnel Project, the
55 Sky Bridge Feasibility Study Project to the list of projects that are authorized to be
56 financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an
57 interim basis, by such bond anticipation notes, and increase the maximum outstanding
58 aggregate principal amount of such bonds and bond anticipation notes to \$160,000,000 as
59 a result; and to amend certain provisions of Ordinance 14167, as previously amended by
60 Ordinance 14463, Ordinance 14745 and Ordinance 14992, pertaining to such bonds and
61 bond anticipation notes, and

62 WHEREAS, pursuant to Ordinance 15604, the county council amended
63 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,
64 Ordinance 14992 and Ordinance 15285, to change the scope of the Pedestrian Tunnel
65 Project to include construction as well as design, add the NCOB Equipping Project to the
66 list of projects that are authorized to be financed, on a long-term basis, by such bonds,
67 and pending the sale of such bonds, on an interim basis, by such bond anticipation notes,
68 and increase the maximum outstanding aggregate principal amount of such bonds and
69 bond anticipation notes to \$170,000,000 as a result; and to amend certain provisions of
70 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,
71 Ordinance 14992 and Ordinance 15285, pertaining to such bonds and bond anticipation
72 notes, and

73 WHEREAS, pursuant to Ordinance 16361, the county council amended
74 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,
75 Ordinance 14992, Ordinance 15285 and Ordinance 15604, to add the Administration
76 Building Replacement Project, the Chinook Building Technology Infrastructure Project,
77 the Courthouse South Entry Analysis Project, the Elections Consolidated Facility Project,
78 the Passage Point Project, the Issaquah Courthouse Leasehold Acquisition Project, the
79 NCOB LEED Certification Project and the Work Source Relocation Project to the list of
80 projects that are authorized to be financed, on a long-term basis, by such bonds, and
81 pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and
82 increase the maximum outstanding aggregate principal amount of such bonds and bond
83 anticipation notes to \$210,000,000 as a result; and to amend certain provisions of
84 Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745,

85 Ordinance 14992, Ordinance 15285 and Ordinance 15604 (as so amended, the
86 "Ordinance"), pertaining to such bonds and bond anticipation notes, and

87 WHEREAS, the Ordinance provided that such bonds may be issued as either
88 fixed rate bonds or multi-modal bonds in one or more series, any of which may be sold in
89 a combined offering with other bonds of the county, publicly, either by negotiated sale or
90 by competitive bid, as determined by the Finance Director in consultation with the
91 county's financial advisor, and

92 WHEREAS, the Finance Director has determined that a series of such bonds, to
93 be designated as the county's Multi-Modal Limited Tax General Obligation Bonds, 2009,
94 Series A, in the aggregate principal amount of \$50,000,000 (the "Bonds"), be sold as
95 provided herein, and

96 WHEREAS, currently, \$105,040,000 in aggregate principal amount of the bonds
97 authorized by the Ordinance are outstanding. Currently, \$48,755,000 of the bond
98 anticipation notes authorized by the Ordinance are outstanding, all of which will be paid
99 and retired from the proceeds of the Bonds at their maturity on March 1, 2009. The
100 aggregate principal amount of all such bonds and bond anticipation notes (including the
101 Bonds) to be outstanding on the date of issuance of the Bonds, computed as provided in
102 the Ordinance, will be \$203,795,000, which amount does not exceed \$210,000,000, and

103 WHEREAS, pursuant to the Ordinance, the Finance Director has negotiated the
104 sale of the Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the
105 "Underwriter"), and an official statement pertaining to the Bonds dated February 18,
106 2009 (the "Official Statement"), has been prepared for the sale of the Bonds, and

107 WHEREAS, it is in the best interest of the county that the Bonds be sold to the
108 Underwriter on the terms set forth in the attached bond purchase contract, the Ordinance
109 and this motion;

110 NOW, THEREFORE, BE IT MOVED by the Council of King County:

111 A. Definitions. Except as expressly authorized herein, terms used in this motion
112 have the meanings set forth in the Ordinance.

113 B. Approval of Sale of Bonds and Bond Purchase Contract. The sale of the
114 Bonds, in the aggregate principal amount of \$50,000,000, and the terms and conditions
115 thereof, as set forth in the bond purchase contract attached hereto as Attachment A (the
116 "Purchase Contract"), are hereby ratified and confirmed, and the Purchase Contract is
117 hereby approved. The Bonds shall be dated, shall mature on the date and in the principal
118 amount, shall initially bear interest in the Mode, and shall be subject to redemption prior
119 to maturity in the amounts, in the manner and at the prices as set forth in the Purchase
120 Contract. In all other respects, the Bonds shall conform to the terms and conditions
121 specified in the Purchase Contract and the Ordinance, which terms are hereby ratified and
122 confirmed. The Finance Director is authorized to execute the Purchase Contract on
123 behalf of the County.

124 C. Appointment of Remarketing Agent and Approval of Remarketing
125 Agreement. As required pursuant to the Ordinance, the county hereby appoints the
126 Underwriter to serve as the initial Remarketing Agent for the Bonds pursuant to the terms
127 of the remarketing agreement attached hereto as Attachment B (the "Remarketing
128 Agreement"); provided, that, in the event that the initial Remarketing Agent resigns or is
129 removed by the County while any Multi-Modal Bonds remain outstanding and the

130 County appoints a successor thereto, the County shall enter into a new remarketing
131 agreement with such successor remarketing agent that contains the same covenant that
132 the Multi-Modal Bonds shall be remarketed at a price equal to the principal amount
133 thereof plus accrued interest as appears in Section 3(b)(i) of the Remarketing Agreement.
134 The Remarketing Agreement is hereby approved and the Finance Director is authorized
135 to execute the Remarketing Agreement on behalf of the County.

136 D. Approval of Initial Liquidity Provider and Initial Liquidity Facility. Pursuant
137 to the Ordinance, the county confirms the Finance Director's selection of Bank of
138 America, N.A., to serve as the initial Liquidity Provider for the Bonds, pursuant to the
139 standby bond purchase agreement attached hereto as Attachment C (the "Initial Liquidity
140 Facility"). The Initial Liquidity Facility is hereby approved and the Finance Director is
141 authorized to execute the Initial Liquidity Facility on behalf of the County.

142 E. Approval of Variable Rate Bond Agreement. The Variable Rate Bond
143 Agreement attached hereto as Attachment D (the "Variable Rate Bond Agreement") is
144 hereby approved; provided, that, in the event that The Bank of New York Mellon resigns
145 or is removed as the Bond Registrar while any Multi-Modal Bonds remain outstanding
146 and a successor thereto is appointed, the County shall enter into a new agreement with the
147 successor in substantially the same form as the Variable Rate Bond Agreement. The
148 Finance Director is authorized to execute the Variable Rate Bond Agreement on behalf of
149 the County.

150 F. Application of Bond Sale Proceeds. The sale proceeds of the Bonds shall be
151 applied to provide long-term financing for the following projects (in part through the
152 payment of the County's Limited Tax General Obligation Bond Anticipation Notes,

153 2008, issued therefor), and paying capitalized interest and costs and expenses incurred in
154 issuing the Bonds: the Integrated Security and Jail Health Remodel Project, the Jail ITR
155 Remodel Project and the NCOB Equipping Project.

156 G. Further Authority. The Finance Director and other proper county officials,
157 their agents, and representatives are hereby authorized and directed to do everything
158 necessary for the prompt issuance and delivery of the Bonds, including, but not limited
159 to, the execution and delivery of the Official Statement, as contemplated by the Purchase
160 Contract, and for the proper use and application of the proceeds of such sale.

161 H. Severability. The covenants contained in this motion shall constitute a
162 contract between the county and the owners of each and every Bond. If any one or more
163 of the covenants or agreements provided in this motion to be performed on the part of the
164 county shall be declared by any court of competent jurisdiction to be contrary to law, then
165 such covenant or covenants, agreement or agreements, shall be null and void and shall be
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167 deemed separable from the remaining covenants and agreements of this motion and shall
168 in no way affect the validity of the other provisions of this motion or of the Bonds.

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Motion 12927 was introduced on 1/26/2009 and passed by the Metropolitan King County Council on 2/23/2009, by the following vote:

Yes: 8 - Mr. Constantine, Ms. Hague, Ms. Lambert, Mr. von Reichbauer, Mr. Gossett, Mr. Phillips, Ms. Patterson and Mr. Dunn

No: 0

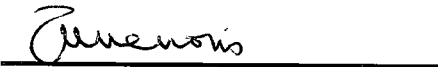
Excused: 1 - Mr. Ferguson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Dow Constantine, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. \$50,000,000 KING COUNTY, WASHINGTON Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A BOND PURCHASE CONTRACT, B. REMARKETING AGREEMENT between KING COUNTY, WASHINGTON and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED Dated February 26, 2009 Relating to KING COUNTY, WASHINGTON Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A, C. STANDBY BOND PURCHASE AGREEMENT Dated as of February 26, 2009 by and among KING COUNTY, WASHINGTON, as County THE BANK OF NEW YORK MELLON, as Bond Registrar and BANK OF AMERICA, N.A. as Bank, D. VARIABLE RATE BOND AGREEMENT

12927 ATTACHMENT A

EXECUTION VERSION

\$50,000,000
KING COUNTY, WASHINGTON
Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A

BOND PURCHASE CONTRACT

February 25, 2009

King County, Washington

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") hereby offers to enter into this bond purchase contract (this "Purchase Contract") with King County, Washington (the "County"). This offer is made subject to the County's acceptance by executing this Purchase Contract and delivering it to the Underwriter at or prior to 5:00 p.m. Pacific Time on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to acceptance hereof by the County. Upon acceptance of this offer in accordance with the terms hereof, this Purchase Contract will constitute a binding agreement between the County and the Underwriter.

All capitalized terms used herein shall have the respective meanings ascribed to them in the Bond Ordinance (defined below), unless otherwise defined herein.

The County and the Underwriter hereby agree as follows:

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the County, and the County hereby agrees to sell to the Underwriter, all (but not less than all) of the \$50,000,000 aggregate principal amount of the County's Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds"), at the Closing (defined below). The purchase price for the Bonds shall be \$49,918,665.11 (representing the principal amount of the Bonds less an underwriting discount of \$81,334.89) (the "Purchase Price"). The Bonds shall be dated the Closing Date (defined below), shall mature on June 1, 2029, and shall be fully registered as to both principal and interest. The Bonds in the Weekly Mode or the Daily Mode shall be subject to redemption at the option of the County in whole or in part in Authorized Denominations on any Business Day at a redemption price equal to the principal amount thereof, plus accrued interest, if any, on the Bonds payable on the date fixed for redemption. The Bonds are subject to mandatory redemption in part in Authorized Denominations on the Multi-Modal Bond Interest Payment Date in June 2010, and on the Multi-Modal Bond Interest Payment Date in each June thereafter at a redemption price equal to par plus accrued interest to the date of redemption, in the years and principal amounts shown below:

YEAR	AMOUNT	YEAR	AMOUNT
2010	\$ 1,900,000	2020	\$ 2,400,000
2011	2,000,000	2021	2,500,000
2012	2,000,000	2022	2,600,000
2013	2,000,000	2023	2,700,000
2014	2,100,000	2024	2,800,000
2015	2,100,000	2025	2,900,000
2016	2,200,000	2026	3,000,000
2017	2,200,000	2027	3,200,000
2018	2,300,000	2028	3,300,000
2019	2,300,000	2029	3,500,000

The Bonds shall initially bear interest in the Weekly Mode calculated in such manner, be payable as to principal and interest, and shall have such terms relating to purchase and other such provisions and terms as set forth in the Official Statement of the County relating to the Bonds dated February 18, 2009 (together with the cover thereof and all appendices, exhibits, reports and statements included therein or attached thereto and such amendments or supplements thereto which shall have been approved by the Underwriter as of the date hereof, the "Official Statement"), and as set forth in the Bond Ordinance.

2. Deliveries to Be Made Upon Acceptance; Delivery of Official Statement. At or prior to the time of the execution of this Purchase Contract, the County shall deliver to the Underwriter (a) a copy of County Ordinance 14167 (as amended by County Ordinance 14463, County Ordinance 14745, County Ordinance 14992, County Ordinance 15285, County Ordinance 15604 and County Ordinance 16361, the "Ordinance"), authorizing the issuance and sale of the Bonds, and a sale motion of the County Council (together with the Ordinance, the "Bond Ordinance"), each certified by the Clerk of the County Council to have been duly adopted by the County and to be in full force and effect as of the date hereof, and (b) two copies of the Official Statement, executed by a duly authorized officer of the County.

As soon as possible, but in any event no more than seven business days after the time of the County's acceptance hereof, the County shall deliver to the Underwriter as many copies of the Official Statement as required to permit the Underwriter to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board ("MSRB") and Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), including the requirement that three copies of the Official Statement be delivered by the Underwriter to a nationally recognized municipal securities information repository ("NRMSIR"). The County hereby ratifies, approves and confirms the distribution and use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds.

If, between the date of this Purchase Contract and 25 days after the "end of the underwriting period," as that term is used in paragraph (f)(2) of Rule 15c2-12, any event shall occur or any preexisting fact shall become known to the County that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires preparation and distribution of a

supplement or amendment to the Official Statement, the County will, at its expense, supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, which approval shall not be unreasonably withheld. The end of the underwriting period shall be the Closing Date unless the County is informed otherwise in writing by the Underwriter. If the Official Statement is supplemented or amended pursuant to this Section, as of the date of each supplement or amendment thereto, to the best of the County's knowledge after due review and investigation, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit or fail to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3. Closing. Subject to the terms and conditions hereof, the delivery of the Bonds and payment of the Purchase Price (the "Closing") shall take place at approximately 8:00 a.m. and in no event later than 10:00 a.m., Pacific Time, on February 26, 2009, or at such other time and/or on such other day as shall be agreed to by the Underwriter and the County, which date shall be referred to as the "Closing Date," at the King County Office of Finance. At the Closing:

(a) The County shall deliver to the Underwriter (i) the Bonds as provided in subsection (c) of this Section and (ii) the other instruments and documents required to be delivered to the Underwriter at the Closing pursuant to Section 5(f).

(b) The Underwriter shall pay the Purchase Price to the County in federal funds (by wire transfer or by any combination of one or more wires as may be agreeable to the County and the Underwriter).

(c) The Bonds initially shall be held in fully registered form by or on behalf of The Depository Trust Company ("DTC") acting as depository pursuant to the terms and conditions set forth in the County's Blanket Letter of Representations with DTC. The Bonds shall be issued as a single bond equal to the aggregate principal amount and initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds shall be delivered to or to the order of DTC at least one full business day before the Closing for purposes of inspection. The Bonds shall bear proper CUSIP numbers to be obtained by the Underwriter (provided, however, that neither the printing of a wrong CUSIP number on any Bond nor the failure to print the CUSIP number thereon shall constitute cause for the Underwriter to refuse delivery of any Bond).

4. Representations and Warranties of the County. The County hereby represents and warrants to the Underwriter, and (as appropriate) covenants to the Underwriter, as follows:

(a) The County is a duly created and existing political subdivision of the State of Washington and has all requisite legal right, power and authority (i) to enter into this Purchase Contract, the Remarketing Agreement to be dated the Closing Date (the "Remarketing Agreement") between the County and Merrill Lynch, Pierce, Fenner & Smith Incorporated and the Standby Bond Purchase Agreement to be dated as of February 26, 2009 (the "Standby Bond Purchase Agreement") by and among the County, The Bank of New York Mellon (the "Bond Registrar") and Bank of America, N.A. (the "Bank"); (ii) to pass the Bond Ordinance; (iii) to execute, issue and deliver the Bonds as

provided herein and to perform its obligations with respect thereto; (iv) to execute, deliver and perform this Purchase Contract, the Remarketing Agreement and the Standby Bond Purchase Agreement; (v) to execute and deliver the Official Statement; and (vi) to consummate the transactions to which it is or is to be a party as contemplated by each of these documents. The execution, delivery and performance of this Purchase Contract, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Bonds and the adoption of the Bond Ordinance and the issuance of the Bonds thereunder, the execution and delivery by the County and the use by the Underwriter of the Official Statement and the consummation by the County of the transactions to which it is or is to be a party as contemplated hereby and by the Remarketing Agreement, Standby Bond Purchase Agreement, Bond Ordinance and the Official Statement have been duly authorized by all necessary action on the part of the County.

(b) This Purchase Contract, the Remarketing Agreement, the Standby Bond Purchase Agreement, the Official Statement and the Bonds (when delivered and paid for at the Closing) have been or at Closing shall be duly authorized, approved, executed, delivered and (in the case of the Bonds) registered and issued. This Purchase Contract constitutes, and the Bonds, when registered, issued, executed and delivered, will constitute, legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. The performance by the County of its obligations contained in this Purchase Contract, the Remarketing Agreement, the Standby Bond Purchase Agreement, the Official Statement and the Bonds and the consummation by it of all other transactions contemplated by each of those documents to have been performed or consummated at or prior to the Closing have been duly authorized and approved by the County, as the case may be. The Bond Ordinance has been duly and lawfully adopted by the County, is in full force and effect and is valid and binding upon the County and enforceable in accordance with its terms, except to the extent that enforceability is subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights. When delivered and paid for at the Closing, the Bonds shall be entitled to the benefits and the security, and shall be subject only to the terms and conditions, set forth in the Bond Ordinance, the Remarketing Agreement and the Standby Bond Purchase Agreement and described in the Official Statement. The issuance of the Bonds is permitted by, and the Bonds when issued will be issued in compliance with, the provisions of the Bond Ordinance.

(c) To the best of the knowledge of the County's Finance Director, after due inquiry, the County is not in material breach of, or in material default under, any indenture, bank loan or credit agreement, bond or note, nor is the County in default under any statute, ordinance, resolution or (in any material respect) any other agreement or instrument, regulation, order, decree, license, permit, judgment, ruling or law or constitutional provision to which the County is a party, which breach or default would adversely affect the validity or enforceability of the Bonds.

(d) The adoption of the Bond Ordinance, the execution, delivery and performance of this Purchase Contract, the Remarketing Agreement and the Standby

Bond Purchase Agreement, the issuance and sale of the Bonds and the consummation of the transactions contemplated hereby and by these documents will not in any material respect conflict with or constitute on the part of the County a material breach of or material default under any agreement, indenture, bond, note, statute, ordinance, resolution or other instrument to which the County is a party or to which it is bound or subject, and which breach or default would adversely affect the validity or enforceability of the Bonds.

(e) Except as described in the Official Statement, no litigation or other action, suit, proceeding, inquiry or investigation before or by any court or agency or other administrative body (either of the State of Washington or the United States Government) is pending or, to the knowledge of the County, threatened, that in any way restrains or enjoins, or threatens or seeks to restrain or enjoin, the issuance, sale or delivery of the Bonds or in any way contests, questions or affects (i) the validity or enforceability of any provision of the Bonds, the Bond Ordinance, the Standby Bond Purchase Agreement, the Remarketing Agreement or this Purchase Contract; (ii) the levy and collection of taxes pledged to pay the principal of and interest on the Bonds; (iii) the accuracy, completeness or fairness of the Official Statement; or (iv) the legal existence of the County, the title of its elected officers to their respective offices, or the County's legal ability to perform its obligations hereunder or with respect to the Bonds, or to consummate any of the transactions to which it is or is to be a party as contemplated hereby or by the Bond Ordinance, the Remarketing Agreement, the Standby Bond Purchase Agreement or this Purchase Contract; to the best knowledge of the County's Finance Director, after due inquiry, there is no other event or circumstance that would have a material adverse effect on the power or ability of the County to perform its obligations hereunder or with respect to the Bonds or to consummate the transactions to which it is or is to be a party as contemplated by the Bond Ordinance, the Remarketing Agreement, the Standby Bond Purchase Agreement or this Purchase Contract.

(f) The Official Statement as of the date of this Purchase Contract is true and complete in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the information contained therein not misleading. However, no warranty is given with respect to information under the captions entitled "THE BONDS—Book-Entry System," "THE BANK" and "LEGAL AND TAX INFORMATION—Tax Exemption for the Bonds" and the information concerning DTC in Appendix F—"BOOK-ENTRY SYSTEM."

(g) Except as described in the Official Statement, the County does not intend to issue or incur, and the County is not aware of any plans to issue or incur, prior to the issuance of the Bonds, notes or other general obligations of the County for borrowed money, or any material liabilities, direct or contingent, that will have a material adverse effect on the County's financial condition, nor does the County expect there to be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the County.

(h) Except as described in the Official Statement, all approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required to be obtained by the County as a condition precedent to the performance by the County of its obligations hereunder, or under the Bonds and the Bond Ordinance, have been obtained and are in full force and effect (except no representation is made as to compliance with blue sky laws).

(i) Any certificates signed by any authorized representative or other authorized officer or representative of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(j) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County in cooperation with the Underwriter as may be requested (i) to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriter and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction. The County consents to the use of the Bond Ordinance, the Remarketing Agreement, the Standby Bond Purchase Agreement, this Purchase Contract and the Official Statement by the Underwriter in obtaining such qualifications.

(k) In the previous five years, the County has never failed to comply, in all material respects, with any previous undertakings in a written contract or agreement executed pursuant to Rule 15c2-12.

(l) The financial statements of the County contained in the Official Statement fairly present the financial position of the County as of the dates and for the periods therein set forth; such financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities in the State of Washington, except to the extent described therein; and other than as set forth in the Official Statement, there has been no material adverse change in the financial position or results of operations of the County since the dates of those financial statements.

5. Conditions to Obligations of Underwriter. In addition to any other conditions herein stated, the obligations of the Underwriter hereunder are subject to the following conditions:

(a) The Bonds shall be issued and secured under and pursuant to the Bond Ordinance and shall be as described in and shall have the terms and conditions set forth in the Bond Ordinance and the Official Statement.

(b) At the time of the Closing, (i) this Purchase Contract, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Bond Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented; (ii) the County shall perform or have performed all of its respective obligations required under or specified in this Purchase Contract, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Bond Ordinance to be performed at or prior to the Closing; and (iii) all actions by or on behalf of the County or otherwise necessary to execute, authenticate, issue, deliver and sell the Bonds pursuant hereto and to give effect to the pledge and other provisions of the Bond Ordinance shall have been taken.

(c) As of the date of the Official Statement, the Official Statement shall not have contained an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and at the time of the Closing, the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. However, no warranty or representation need be made with respect to information under the captions entitled "THE BONDS—Book-Entry System," "THE BANK" and "LEGAL AND TAX INFORMATION—Tax Exemption for the Bonds" and the information concerning DTC in Appendix F—"BOOK-ENTRY SYSTEM."

(d) Subsequent to the respective dates as of which information is given in the Official Statement, and prior to the time of the Closing, no material adverse change, or any development involving a prospective material adverse change, in the condition of the County, financial or otherwise, shall have taken place (other than as referred to in or contemplated by the Official Statement), and if prior to the Closing such an event occurs the County shall promptly notify the Underwriter, and if in the opinion of the Underwriter and its counsel such event requires a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement at its expense, in a form and in a manner approved by the Underwriter and its counsel.

(e) The representations and warranties of the County contained herein shall have been true and complete on the date made and shall be true and complete at the time of the Closing with the same effect as if made at such time.

(f) At or prior to the Closing, unless otherwise agreed by the Underwriter in writing, the Underwriter shall receive the following documents:

(i) An approving bond opinion of Gottlieb Fisher PLLC, Bond Counsel to the County, dated the Closing Date, in substantially the form attached to the Official Statement as Appendix B, together with a letter, dated the Closing Date, permitting the Underwriter and the Bank to rely on such opinion as if such opinion were addressed to the Underwriter.

(ii) An opinion of Gottlieb Fisher PLLC, Bond Counsel to the County, dated the Closing Date and addressed to the Underwriter and the Bank, to the effect that (A) the County has the legal right, power and authority to adopt the

Bond Ordinance, to enter into this Purchase Contract, the Remarketing Agreement and the Standby Bond Purchase Agreement, to issue, sell and deliver the Bonds, to perform its obligations under the Bond Ordinance, this Purchase Contract, the Remarketing Agreement and the Standby Bond Purchase Agreement and to carry out the transactions contemplated thereby; (B) the County has duly adopted the Bond Ordinance, has duly approved, authorized and executed this Purchase Contract, the Remarketing Agreement and the Standby Bond Purchase Agreement, and, assuming due execution and delivery of those documents by the other parties thereto, they constitute the legal, valid and binding obligations of the County, enforceable in accordance with their terms, except to the extent that enforceability is limited by bankruptcy, insolvency, reorganization or moratorium by other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with principles of equity; and provided that no opinion need be expressed with respect to any provisions of this Purchase Contract or the Remarketing Agreement providing for indemnification; (C) the Bonds have been duly authorized, executed and delivered and are entitled to the benefits and security provided by the Bond Ordinance; (D) the County has duly authorized an appropriate representative to approve and execute the Official Statement; (E) no consent or approval of, or registration or filing with, any commission, board, authority, regulatory body or instrumentality of the State of Washington is or was required in connection with any of the actions of the County described in the preceding clauses hereof, except such consents, approvals, registrations or filings as have been obtained on or prior to the Closing Date, nor is any election or referendum of voters required in connection therewith; provided, however, that no opinion need be provided with respect to compliance with any blue sky laws; (F) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); and (G) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "INITIATIVE AND REFERENDUM" and "LEGAL AND TAX INFORMATION" (except under the subcaption "Litigation"), insofar as such statements contained under such captions purport to summarize certain provisions of the Bonds and the Bond Ordinance and tax treatment of interest on the Bonds, are true and correct, and based solely upon their participation as Bond Counsel in certain conferences (which did not extend beyond the date of the Official Statement) with representatives of the County, the Underwriter, the Bank, the financial advisor to the County and Underwriter's counsel during which conferences the contents of such Official Statement and related matters were discussed and without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, no facts came to the attention of the attorneys of such firm rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date (except for information concerning DTC, the book-entry system and the Bank and in Appendices C, D, E and F to the Official

Statement and any references to such information set forth in the Official Statement, and other financial, demographic and statistical data and projections included in the Official Statement, as to all of which no view need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented to the Closing Date (except as aforesaid) as of the Closing Date contains, any untrue statement of a material fact or that the Official Statement (except as aforesaid) as of its date omitted, or that the Official Statement as so amended or supplemented (except as aforesaid) as of the Closing Date omits, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(iii) An opinion of Foster Pepper PLLC, counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that (A) the offer and sale of the Bonds by the Underwriter are exempt from the registration requirements of the Securities Act; (B) the Bond Ordinance is exempt from qualification under the Trust Indenture Act; and (C) without undertaking to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that caused such attorneys to believe that the Official Statement (except any financial, economic or statistical data contained in the Official Statement, any information contained in the Official Statement regarding DTC, the Bank or how interest on the Bonds is treated for federal income tax purposes, and the information contained in Appendices B, C, D, E and F to the Official Statement, as to all of which no opinion or belief need be expressed), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. In rendering the opinions set forth in clauses (A) and (B) above, counsel to the Underwriter may rely upon the legal opinions of Gottlieb Fisher PLLC to the extent such opinions address the validity of the Bonds and the governmental status of the County.

(iv) A certificate of the Chief Civil Deputy Prosecuting Attorney of the County, dated the Closing Date, substantially in the form attached hereto as Exhibit A.

(v) An opinion of Davis Wright Tremain LLP, counsel to the Bank, dated the Closing Date and addressed to the County and the Underwriter, to the effect that (A) the Bank is a national banking association duly organized and validly existing under the laws of the United States of America and has the power to execute and deliver the Standby Bond Purchase Agreement and perform its obligations thereunder; (B) the Standby Bond Purchase Agreement has been duly authorized, executed and delivered by proper officers of the Bank and constitutes the legal, valid and binding obligation of the Bank, enforceable against the Bank

in accordance with its terms; (C) no consent, license, authorization, registration, declaration, approval or permit of any governmental authority, agency or instrumentality is required in connection with the validity, execution, delivery, performance or enforceability of the Standby Bond Purchase Agreement; (D) the obligations of the Bank under the Standby Bond Purchase Agreement will rank *pari passu* in priority of payment and in all other respects with any and all other unsecured indebtedness of the Bank that is not contractually subordinated to the payment of such obligations or entitled to statutory priority; and (E) the statements contained in the Official Statement under the caption "THE STANDBY BOND PURCHASE AGREEMENT," insofar as such statements purport to summarize certain provisions of the Standby Bond Purchase Agreement, are true and correct.

(vi) A copy of the executed Standby Bond Purchase Agreement.

(vii) A copy of the executed Remarketing Agreement.

(viii) Evidence satisfactory to the Underwriter that the Bonds have been assigned long-term ratings of "Aa1," "AAA" and "AA+" by Moody's, S&P and Fitch, respectively, and short-term ratings of "VMIG 1," "A-1+" and "F1+" by Moody's, S&P and Fitch, respectively.

(ix) A certificate of the County executed by a duly authorized officer of the County, dated the Closing Date, to the effect that on the Closing Date: (A) the representations, warranties and covenants of the County contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made at the time of the Closing; (B) to the best of his or her knowledge, the Official Statement as of the date of this Purchase Contract and as of the Closing Date was and is true and complete in all material respects and does not contain an untrue statement of a material fact or omit or fail to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation or warranty need be made with respect to the information contained under the captions entitled "THE BONDS—Book-Entry System," "THE BANK" and "LEGAL AND TAX INFORMATION—Tax Exemption for the Bonds" and the information concerning DTC in Appendix F—"BOOK-ENTRY SYSTEM"); (C) the County is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any general obligations of the County for borrowed money; (D) all payments into all funds or accounts created and established for the payment and security of all outstanding general obligations of the County for borrowed money have been made in full and that the amounts on deposit in such funds or accounts are the amounts then required to be deposited therein; (E) nothing has come to his or her attention to lead him or her to believe that the financial information and statistical data in the Official Statement contains any untrue statement of a material fact or omits or fails to state any material fact required to be stated therein or necessary to make the statements

therein, in light of the circumstances under which they were made, not misleading (except that no representation or warranty or representation need be made with respect to the information contained under the captions entitled "THE BONDS—Book-Entry System," "THE BANK" and "LEGAL AND TAX INFORMATION—Tax Exemption for the Bonds" and the information concerning DTC in Appendix F—"BOOK-ENTRY SYSTEM"); (F) the County has never defaulted in the payment of principal or interest on any of its general obligations for borrowed money; and (G) to the best of his or her knowledge, the County has complied in all material respects with all agreements and satisfied in all material respects all conditions contemplated by this Purchase Contract and the Bond Ordinance on its part to be performed or satisfied at or prior to the delivery of the Bonds.

(x) Certificates of the Bank, dated the Closing Date, substantially in the forms attached hereto as Exhibit B-1 and Exhibit B-2.

(xi) A tax exemption and non-arbitrage certificate dated the Closing Date signed by a duly authorized officer of the County setting forth facts, estimates and circumstances (including covenants of the County) in existence on the Closing Date, sufficient to support the conclusion that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of the 1986, as amended, and stating that to the best of his or her knowledge and belief, there are no other facts, estimates or circumstances that would adversely affect such expectation.

(xii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the accuracy, as of the date hereof and as of the Closing Date, of the County's representations and warranties contained herein and in the Official Statement and contained in any of the certificates or other documents referred to in this Purchase Contract, as the same may be supplemented or amended, and the due performance and satisfaction by the County at or prior to the Closing Date of all agreements relating to the Bonds then to be performed and all conditions relating to the Bonds then to be satisfied by the County.

All certificates, opinions and other documents and instruments delivered pursuant to this Section shall be satisfactory in form and substance to the Underwriter and to Foster Pepper PLLC, counsel to the Underwriter, provided that approval of such form and substance shall not be unreasonably withheld.

6. Termination of Purchase Contract. The Underwriter shall have the right in its sole discretion to cancel the Underwriter's obligations hereunder to purchase the Bonds (and such cancellation shall not constitute a default hereunder) by notifying the County of its election to do so between the date hereof and the Closing Date if, at any time hereafter and prior to the Closing:

(a) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by (A) an amendment to the Constitution of the United States of America or by any legislation which shall have been introduced in or enacted by the Congress of the United States; (B) legislation pending in the Congress of the United States; or (C) legislation (including any amendment thereto, whether or not in formal bill form) recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives; or (D) legislation (including any amendment thereto, whether or not in formal bill form) proposed that may have an effective date prior to the Closing Date for consideration by either such Committee or by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States; or (E) legislation favorably presented for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration; (F) a decision by a court of the United States or the Tax Court of the United States; or (G) a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency, with respect to federal taxation of revenues or other income of the general character expected to be derived by the County or upon interest received on securities of the general character of the Bonds or which would change, directly or indirectly, the federal income tax consequences resulting from ownership of or receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof.

(b) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Washington, or a decision by a court within Washington shall be rendered, which in the Underwriter's opinion, materially adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for sale of the Bonds.

(c) In the Underwriter's opinion, any act or event shall exist or may exist that requires or has required an amendment or supplement to the Official Statement, or the subject matter of any amendment or supplement to the Official Statement materially and adversely affects (i) the market price or marketability of the Bonds or (ii) the ability of the Underwriter to enforce contracts for sale of the Bonds.

(d) The New York Stock Exchange or other national securities exchange, the Municipal Securities Rulemaking Board (the "MSRB"), the Financial Industry Regulatory Authority ("FINRA") or any governmental authority or agency shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the offering, sale and distribution, or extension of credit in connection with the purchase of the Bonds.

(e) A general banking moratorium shall have been established by the United States or State of New York or State of Washington authorities.

(f) Any amendment to the Constitution of the United States of America, any legislation enacted by the United States of America, any decision of any court of the United States of America, or any order, ruling, regulation or official statement issued or made by or on behalf of the Securities and Exchange Commission, or of any other governmental agency having jurisdiction over the subject matter, having the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from the registration requirements of the Securities Act, or that the Bond Ordinance is not exempt from qualification under the Trust Indenture Act.

(g) Any rating of the Bonds or any other obligations of the County or the Bank shall have been downgraded, suspended or withdrawn by a national rating service, which event, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or any proceeding shall be pending or threatened by the Securities and Exchange Commission or the Attorney General of the State of Washington against the County relating to the Bonds.

(h) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis including financial crisis, the effect of which on the financial markets of the United States being such, as in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds.

7. Effect of Termination. If the sale to the Underwriter of the Bonds, as herein contemplated, is not carried out by the Underwriter for any reason permitted hereunder or if such sale is not carried out because the County shall be unable to comply with any of the terms hereof, the County shall not be under any obligation or liability under this Purchase Contract (except to the extent provided in Section 8), and the Underwriter shall be under no obligation or liability to the County.

8. Payment of Costs.

(a) Whether or not the Bonds are issued as contemplated by this Purchase Contract, the Underwriter shall be under no obligation to pay, and the County hereby agrees to pay, any expenses incident to the performance of the County's obligations hereunder, including (i) the costs of the preparation and printing of the Bonds and the Bond Ordinance, printing and distribution of the Official Statement, and preparation of all other documents prepared by the County or its counsel; (ii) the fees and disbursements of Gottlieb Fisher PLLC, Bond Counsel to the County; (iii) the fees and disbursements of other counsel to the County; (iv) the fees of agencies rating the Bonds; (v) the fees of the fiscal agent and bond registrar; (vi) the fees and disbursements of the accountants, consultants and advisors to the County, including the fees of Seattle-Northwest Securities Corporation, financial advisor to the County; (vii) the fees and disbursements of the Bank and its counsel; and (viii) any other expenses and costs of the County incident to the

performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter.

(b) The Underwriter shall pay (i) any fees assessed upon the Underwriter with respect to the Bonds by the MSRB, FINRA or any NRMSIR; (ii) all advertising expenses in connection with any public offering of the Bonds; (iii) the costs of qualifying the Bonds under the blue sky or other securities laws of such jurisdictions as the Underwriter may determine and the costs of the preparation and printing of blue sky memoranda; and (iv) all other costs and expenses incurred by them in connection with any public offering and distribution of the Bonds, including the fees and disbursements of Foster Pepper PLLC, counsel to the Underwriter.

9. Indemnification. To the extent permitted by law, the County shall indemnify and hold harmless the Underwriter, each of its officers and employees and each person who controls any of the Underwriter within the meaning of Section 15 of the Securities Act (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) determination that the Bonds, or the obligation of the County should have been registered under the Securities Act or the Bond Ordinance should have been qualified under the Trust Indenture Act, or (ii) any untrue statement of a material fact contained in the Official Statement and any supplement thereto, or the omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity as described in this Section is limited to such losses or damages as are directly the result of the acts or omissions of the County and, should any Indemnified Party make a claim for indemnity under this Purchase Contract, the County shall have the right to (i) retain counsel to defend any such action and (ii) control and direct any defense of such claims in such action. This indemnity shall not be construed as a limitation on any other liability which the County may otherwise have to any Indemnified Party, provided that in no event shall the County be obligated for double indemnification.

10. Notices. Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing to the Director of Finance and Business Operations Division, Department of Executive Services, 500 Fourth Avenue, Seattle, Washington 98104, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Merrill Lynch, Pierce, Fenner & Smith Incorporated, 999 Third Avenue, Suite 3610, Seattle, Washington 98104, Attention: Eric Whaley, Vice President.

11. General. This Purchase Contract is made solely for the benefit of the County and the Underwriter (including any successor of any Underwriter), and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of an Underwriter and shall survive the delivery of the Bonds and any termination of this Purchase Contract.

12. Waivers. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by it at its discretion.

13. Effectiveness of Purchase Contract. This Purchase Contract shall become effective upon the execution hereof by the Underwriter and the execution of the acceptance hereof by a duly authorized officer of the County and shall be valid and enforceable as of the time of such execution and acceptance.

14. Governing Law. This Purchase Contract shall be construed in accordance with and governed by the laws of the State of Washington. Venue for any action under this Purchase Contract shall be in the Superior Court of the State of Washington for King County or in the United States District Court for Western Washington, in Seattle.

[Signature page follows]

15. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: _____
Greg Sundberg, Managing Director

Accepted on: February 25, 2009

KING COUNTY, WASHINGTON

By: _____
Ken Guy, Director
Finance and Business Operations Division
Department of Executive Services

EXHIBIT A

CERTIFICATE OF CHIEF CIVIL DEPUTY COUNTY PROSECUTING ATTORNEY

I, Kevin Wright, the duly appointed and qualified Chief Civil Deputy Prosecuting Attorney of King County, Washington (the "County"), in connection with the issuance by the County of its Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A, in the principal amount of \$50,000,000 (the "Bonds"), DO HEREBY CERTIFY as follows:

1. That as of the time and date written below, to the best of my knowledge, there is no litigation pending or threatened affecting the issuance and delivery of the Bonds, the levy and collection of taxes pledged to pay the principal thereof and interest thereon, or in any manner questioning or contesting the proceedings and authority under which the Bonds are issued, the validity of the Bonds, the corporate existence or boundaries of the County, or the title of the present officers to their respective offices, which litigation would prevent the payment by the County of the principal of or interest on the Bonds when due.

2. That as of the time and date written below, no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded.

3. That as of the time and date written below, the statements contained in the Official Statement relating to the Bonds dated February 18, 2009, under the caption "LEGAL AND TAX INFORMATION—Litigation," insofar as such statements purport to summarize litigation affecting the County, present a fair and accurate summary of such litigation, and are true and correct.

DATED: February 26, 2009, at 8:30 a.m.

For DANIEL T. SATTERBERG,
King County Prosecuting Attorney

Kevin Wright
Chief Civil Deputy

EXHIBIT B-1

FORM OF CERTIFICATE OF THE BANK

The undersigned officer, on behalf of Bank of America, N.A. (the "Bank"), in connection with the Standby Bond Purchase Agreement dated as of February 26, 2009 (the "Standby Bond Purchase Agreement"), by and among King County, Washington (the "County"), The Bank of New York Mellon and the Bank, which supports the \$50,000,000 aggregate principal amount of County Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds"), hereby certifies as follows:

1. The information relating to the Bank included in the Official Statement relating to the Bonds dated February 18, 2009, under the caption "THE BANK" is true and correct in all material respects. The Bank has not undertaken to verify or pass upon, nor does it assume any responsibility for, the accuracy, completeness or fairness of any of the other statements contained in the Official Statement.
2. The Standby Bond Purchase Agreement contains a commitment on the part of the Bank to pay, subject to the terms and conditions contained therein, the purchase price of the Bonds, up to an amount equal to the outstanding Available Commitment (as defined in the Standby Bond Purchase Agreement). The ongoing annual Commitment Fee (as defined in the Standby Bond Purchase Agreement) under the Standby Bond Purchase Agreement was determined in arm's length negotiations and is representative of similar charges made by the Bank and others to issuers of similar credit standing and obligations with similar liquidity support. No portion of such Commitment Fee represents a direct or indirect payment of or for costs of issuance, including rating agency fees, the provision of services by the Bank other than as provider of the Standby Bond Purchase Agreement, or a cost, risk or other element that is not customarily borne by liquidity providers of tax-exempt bonds. The Bank does not expect to make any payments under the Standby Bond Purchase Agreement, other than payments for which the Bank will be immediately reimbursed by the County.
3. This Certificate may be relied upon by the County and Gottlieb Fisher PLLC in connection with the issuance of the Bonds and the transactions contemplated by the Standby Bond Purchase Agreement.
4. This Certificate is delivered as of its date and without any undertaking to advise the County of any changes of fact that occur after the date of this Certificate even though the changes may affect the information confirmed in this Certificate.

Dated: February 26, 2009.

BANK OF AMERICA, N.A.

By: _____
Name: Nancy D. Nuerenberg
Title: Senior Vice President

EXHIBIT B-2

FORM OF ASSISTANT SECRETARY'S CERTIFICATE
OF
BANK OF AMERICA, NATIONAL ASSOCIATION

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. Attached hereto is a true and correct copy of a Certificate of Corporate Existence issued by the Office of the Comptroller of the Currency which states Bank of America, National Association, Charlotte, North Carolina, Charter Number 13044, is a National Banking Association formed under the laws of the United States and is authorized thereunder to transact the business of banking.

2. Attached hereto is a true and correct copy of the Amended and Restated Articles of Association of the Association, incorporating all amendments thereto through the date hereof (the "Articles").

3. Attached hereto is a true and correct copy of the Bylaws of the Association, incorporating all amendments thereto through the date hereof (the "Bylaws").

4. The Articles and Bylaws have not been revoked and are in full force and effect on the date hereof.

5. The following persons have been duly elected or appointed and have duly qualified as officers of the Association and they hold the office set forth opposite their names.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Nancy D. Nuereberg	Senior Vice President	_____
Tana R. Aardal	Senior Vice President	_____

6. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

Section 5.2. Execution of Instruments. All agreements, indentures, mortgages, deeds, conveyances, transfers, contracts, checks, notes, drafts, loan documents, letters of credit, guarantees, master agreements, swap agreements, security and pledge agreements, guarantees of signatures, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, powers of attorney, and other instruments or documents may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the President, any Vice Chairman of the Board, any Division President, any Managing Director, any Principal, any Vice President, any Assistant Vice President, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors or any of such designated officers or

individuals may direct. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 26th day of February, 2009.

(SEAL)

Allison L. Gilliam
Assistant Secretary

12927
ATTACHMENT B

EXECUTION VERSION

REMARKETING AGREEMENT

between

KING COUNTY, WASHINGTON

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Dated February 26, 2009

Relating to

KING COUNTY, WASHINGTON

Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A

This REMARKETING AGREEMENT, dated February 26, 2009 (this "Agreement"), between KING COUNTY, WASHINGTON (the "County"), and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (the "Remarketing Agent"),

WITNESSETH:

WHEREAS, the County has issued its \$50,000,000 in aggregate principal amount of its Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds") pursuant to Ordinance 14167 of the County (as amended by Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285, Ordinance 15604 and Ordinance 16361 of the County, the "Ordinance"); and

WHEREAS, the Bonds and the Ordinance provide, among other things, that the owners of the Bonds (the "Owners"), may elect (or may be required) in certain instances to tender their Bonds for purchase upon the terms and conditions contained in the Bonds and the Ordinance; and

WHEREAS, the Ordinance provides for the appointment of a remarketing agent to perform certain duties, including the use of its best efforts to remarket any Bonds tendered for purchase by the Owners; and

WHEREAS, Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed to accept the duties and responsibilities of the remarketing agent under the Ordinance and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Ordinance.

Section 2. Appointment of Remarketing Agent. Subject to the terms and conditions contained herein, the County hereby appoints Merrill Lynch, Pierce, Fenner & Smith Incorporated as exclusive Remarketing Agent for the Bonds, and Merrill Lynch, Pierce, Fenner & Smith Incorporated hereby accepts such appointment.

Section 3. Responsibilities of Remarketing Agent. Subject to the terms and conditions set forth in this Agreement, Merrill Lynch, Pierce, Fenner & Smith Incorporated agrees to perform the duties of Remarketing Agent set forth in the Ordinance. It is understood that in undertaking to perform such duties, and in the performance thereof, it is the intention of the parties that the Remarketing Agent will act solely as an agent and not as a principal except as expressly provided in Section 12. The Remarketing Agent shall not be liable for any action taken or omitted to be taken pursuant to this Agreement, except for its own negligence or willful misconduct.

(a) Determination of Interest Rates. The Remarketing Agent shall determine the interest rates on, and Interest Periods for, the Bonds in the manner and at the times specified therefor in the Ordinance.

(b) Remarketing of Tendered Bonds.

(i) The Remarketing Agent shall use its best efforts to remarket Bonds to be purchased as described in the Ordinance at a price equal to the principal amount thereof plus accrued interest.

(ii) The Remarketing Agent:

(A) will suspend its remarketing efforts upon the receipt of notice of the occurrence of an event of default under the Liquidity Facility, which suspension will continue for so long as such event of default shall continue (the Remarketing Agent being under no obligation to determine when such event of default shall cease); and

(B) may suspend its remarketing efforts immediately upon the occurrence of any of the following events, which suspension will continue so long as the situation continues to exist:

(1) there shall hereafter be placed into effect a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(2) a general moratorium on commercial banking activities in New York is declared by either federal or New York State authorities;

(3) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the financial markets of the United States being such, in the judgment of the Remarketing Agent, as to substantially adversely affect the marketability of the Bonds;

(4) legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended (the "Securities Act") and as then in effect, or the Securities Exchange Act of 1934, as amended (the "Exchange Act") and as then in effect, or the

Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of the Bonds or of obligations of the general character of the Bonds, as contemplated hereby;

(5) any event shall occur or information shall become known, which, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the disclosure documents provided to the Remarketing Agent in connection with the performance of its duties hereunder, whether provided pursuant to Section 5 or otherwise, or causes such documents to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(6) any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force;

(7) any of the representations and warranties of the County made hereunder shall not have been true and correct on the date made;

(8) the County fails to observe any of the covenants or agreements made herein;

(9) any of the rating agencies then rating the Bonds or the Liquidity Provider shall downgrade the ratings assigned to either the Bonds or the Liquidity Provider so that the Bonds are not "eligible securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended;

(10) legislation shall have been enacted by the Congress of the United States, or shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States, the Tax Court of the United States or a court of the State of Washington, or a ruling shall have been made or a regulation or temporary regulation shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal authority, with respect to federal taxation upon revenues or other income of the general character to be derived by the County, or upon interest received on obligations of the general character of the Bonds, which, in the reasonable judgment of the Remarketing Agent, materially adversely affects the market for the Bonds;

(11) in the reasonable judgment of the Remarketing Agent, the market price or marketability of the Bonds or the ability of the Remarketing Agent to enforce contracts for the sale of Bonds shall have been materially adversely affected by an amendment of or supplement to the Official Statement, notwithstanding the Remarketing Agent's approval of such amendment or supplement prior to its distribution; or

(12) an actual or imminent default or a moratorium in respect of payment of any U.S. Treasury bills, bonds or notes the effect of which in either Remarketing Agent's judgment makes it impractical to market the Bonds or to enforce contracts for the sale of the Bonds.

Section 4. Resignation and Removal of Remarketing Agent; Termination Events.

The Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the County, the Bond Registrar and the Liquidity Provider with 30 days' prior written notice. The Remarketing Agent may be removed at any time at the direction of the County and the Liquidity Provider upon 30 days' prior written notice to the Remarketing Agent. Upon removal or resignation of the Remarketing Agent, the County shall promptly cause the Bond Registrar to give notice thereof by mail to all Owners and to any rating agency which has assigned a rating to the Bonds at the request of the County. The Remarketing Agent shall assign and deliver this Agreement to its successor. Following termination, the provisions of Sections 6 and 7 will continue in effect as to transactions prior to the date of termination, and each party will pay the other party any amounts owing at the time of termination.

Section 5. Disclosure Materials.

(a) General. If the Remarketing Agent determines that it is necessary or desirable to use an official statement or other disclosure document in connection with its remarketing of the Bonds, the Remarketing Agent will notify the County, which will provide the Remarketing Agent with a disclosure document in respect of the Bonds satisfactory to the Remarketing Agent and its counsel. The County will supply the Remarketing Agent with such number of copies of the disclosure document as the Remarketing Agent requests from time to time, and the County will amend the disclosure document (and all documents incorporated therein by reference) so that at all times the disclosure document will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In connection with the use of any disclosure document by the Remarketing Agent in its remarketing of the Bonds, the County will furnish to the Remarketing Agent such certificates, accountants' letters and opinions of counsel as the Remarketing Agent reasonably requests. In addition, the County, at its own expense, will take all steps reasonably requested by the Remarketing Agent that the Remarketing Agent or its counsel may consider necessary or desirable to (a) register the sale of the Bonds by the Remarketing Agent under any federal or state securities law or qualify the Ordinance under the Trust Indenture Act, or (b) enable the Remarketing Agent to establish a "due diligence" defense to any action commenced against the Remarketing Agent in respect of any disclosure document.

(b) Compliance with Rule 15c2-12. In the event the Remarketing Agent is asked to remarket the Bonds in any situation that requires compliance with Rule 15c2-12 of the Exchange Act ("Rule 15c2-12"),

(i) the County will provide the Remarketing Agent with an official statement that the County deems final as of its date (exclusive of information permitted to be omitted under Rule 15c2-12) prior to the date the Remarketing Agent bids for, offers or sells any Bonds in connection with such remarketing;

(ii) the County will provide the Remarketing Agent with such number of copies of such official statement as the Remarketing Agent may need to supply at least one copy thereof to each potential customer who requests it; and

(iii) the County shall provide the Remarketing Agent within seven business days after such remarketing or by the time "money confirmations" are to be sent to customers, whichever is earlier, with a number of copies of the final official statement adequate to provide at least one copy of such final official statement to any customer or any potential customer for a period commencing on the date such final official statement is available and extending until the end of the underwriting period, as defined in Rule 15c2-12, and thereafter, for as long as may be required by Rule 15c2-12. Until the end of the underwriting period, the County agrees to update, by written supplement or amendment or otherwise, the final official statement such that at all times during such period the final official statement will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 6. Indemnification and Contribution.

(a) To the extent permitted by law, the County will indemnify and hold harmless the Remarketing Agent and each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which any such indemnified party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such indemnified party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds should have been registered under the Securities Act or the Ordinance should have been qualified under the Trust Indenture Act, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure document furnished pursuant to Section 5 or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the County will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the disclosure document in reliance upon and in conformity with written information furnished to the County by the Remarketing Agent specifically for use in connection with the preparation of the disclosure document. This indemnity agreement will not limit any other liability to any such indemnified party the County otherwise may have; provided, that in no event will the County be obligated for double indemnification.

(b) To the extent permitted by law, the Remarketing Agent will indemnify and hold harmless the County and each of its officers and employees and each person who controls the County within the meaning of Section 15 of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which any such indemnified party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such indemnified party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims,

damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any disclosure document furnished pursuant to Section 5 or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but only to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the disclosure document in reliance upon and in conformity with written information furnished to the County by the Remarketing Agent specifically for use in connection with the preparation of the disclosure document. The County acknowledges that the Remarketing Agent has provided no written information specifically for use in connection with the preparation of the Official Statement relating to the Bonds dated February 18, 2009. This indemnity agreement will not limit any other liability to any such indemnified party the Remarketing Agent otherwise may have; provided, that in no event will the Remarketing Agent be obligated for double indemnification.

(c) An indemnified party shall, promptly after receipt of notice of the commencement of any action against such indemnified party in respect of which indemnification may be sought against an indemnifying party, notify the indemnifying party in writing of the commencement of the action. Failure of the indemnified party to give such notice will not relieve the indemnifying party from any liability it may have to such indemnified party. If such an action is brought against an indemnified party and such indemnified party notifies the indemnifying party of its commencement, the indemnifying party may, or if so requested by such indemnified party will, participate in or assume its defense, with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to such indemnified party of an election to assume the defense, the indemnifying party will not be liable to the indemnified party under this Section for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense other than reasonable costs of investigation. Until the indemnifying party assumes the defense of any such action at the request of such indemnified party, the indemnified party may participate at its own expense in the defense of such action. If the indemnifying party does not retain counsel to take charge of the defense or if the indemnified party reasonably concludes that there may be defenses available to it different from or in addition to those available to the indemnifying party (in which case the indemnifying party will not have the right to assume the defense of such action on behalf of such indemnified party), legal and other expenses reasonably incurred by the indemnified party shall be borne by the indemnifying party. Any obligation under this Section of an indemnifying party to reimburse an indemnified party for expenses shall be payable in reasonable amounts and at reasonable periodic intervals not more often than monthly as required by the indemnified party, but if the indemnified party is later determined not to be entitled to indemnification under this Section or otherwise, the indemnified party will promptly return any moneys paid pursuant to this sentence. No party will be liable with respect to any settlement effected without its consent.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subsection (a) of this Section is due in accordance with its terms but, for any reason, is held by a court to be unavailable on grounds of policy or otherwise, the County and the Remarketing Agent will contribute to the total losses, claims, damages and liabilities (including legal or other expenses of investigation or defense) to which the County and the Remarketing Agent may be subject in such proportion so that the

Remarketing Agent is responsible for that portion represented by the percentage that the fee to be paid to the Remarketing Agent pursuant to Section 7 bears to the principal amount of the Bonds under this Agreement, and the County is responsible for the balance. In no case, however, will the Remarketing Agent be responsible for any amount in excess of the fee applicable to the Bonds remarketed by the Remarketing Agent under this Agreement, and no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this subsection, each person who controls the Remarketing Agent within the meaning of the Securities Act shall have the same rights to contribution as the Remarketing Agent, and each person who controls the County within the meaning of the Securities Act and each officer of the County will have the same rights to contribution as the County, subject to the foregoing sentence. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subsection, notify each party from whom contribution may be sought, but the failure to give such notice will not relieve the party from whom contribution may be sought from any obligation it may have to the party entitled to contribution.

Section 7. Fees and Expenses. For the Remarketing Agent's services under this Agreement and the Ordinance, the County will pay the Remarketing Agent an annual fee of ten basis points (0.10%) of the average aggregate principal amount of Bonds outstanding for the immediately preceding quarter. The County will pay the fee quarterly in arrears commencing June 1, 2009, and on each March 1, June 1, September 1 and December 1 thereafter. When Bonds are remarketed in connection with the conversion of the interest rate to a Term Rate or a Fixed Rate, the County and the Remarketing Agent will agree on a fee. The County will pay all expenses of delivering remarketed Bonds and reimburse the Remarketing Agent for all direct, out-of-pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements.

Section 8. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents and warrants to and covenants and agrees with the County as follows:

(a) the Remarketing Agent is a member of the Financial Industry Regulatory Authority, having a capitalization of at least \$15,000,000, and otherwise meets the requirements for the Remarketing Agent set forth in the Ordinance;

(b) the Remarketing Agent has been duly incorporated, is validly existing and is in good standing under the laws of the State of Delaware, and is authorized by law to perform all the duties and obligations imposed upon it as Remarketing Agent by this Agreement and the Ordinance;

(c) the Remarketing Agent has full power and authority to take all actions required or permitted to be taken by the Remarketing Agent by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and the Ordinance;

(d) the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not conflict with or constitute on the part of the Remarketing Agent a material breach of or a material default under its charter documents, its bylaws or any statute, indenture, mortgage, deed of trust, lease, note agreement or other material agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties; and

(e) this Agreement has been duly authorized, executed and delivered by the Remarketing Agent and constitutes the legal, valid and binding obligation of the Remarketing Agent enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

Section 9. Representations, Warranties, Covenants and Agreements of the County. The County, by its acceptance hereof, represents and warrants to and covenants and agrees with the Remarketing Agent as follows:

(a) the County is a political subdivision of the State of Washington;

(b) the County has full power and authority to take all actions required or permitted to be taken by the County by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and any other instrument or agreement relating thereto to which the County is a party;

(c) the County has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date to authorize (i) the execution, delivery and performance of this Agreement, the Initial Liquidity Facility and any other instrument or agreement to which the County is a party and which has been or will be executed in connection with the transactions contemplated by the foregoing documents; and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the foregoing agreements and by the Official Statement;

(d) will provide Merrill Lynch Corporate Credit ("ML Credit") at the address noted in Section 15 within 210 days after the end of each fiscal year, with a copy of its annual financial statements for that fiscal year; if available, such statements shall be audited, and if not available, such statements may be unaudited, and the County shall provide audited financial statements when available; and

(e) will promptly notify the Remarketing Agent of any material adverse change that may affect the remarketing of the Bonds or any fact or circumstance that may constitute, or with the passage of time will constitute, an event of default under the Liquidity Facility.

Section 10. Term of Agreement. This Agreement shall become effective on the date hereof and shall continue in full force and effect until the payment in full of the Bonds or the earlier conversion of all Bonds to the Fixed Rate Mode, subject to the right of termination as provided herein.

Section 11. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington applicable to agreements made and to be performed in the State of Washington. The parties agree that all actions and proceedings arising out of this Agreement or any of the transactions contemplated hereby may be brought in the Superior Court of the State of Washington for King County or in the United States District Court, Western District of Washington, in Seattle, Washington.

Section 12. Dealing in Bonds by the Remarketing Agent.

(a) The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, including any Bonds offered and sold by the Remarketing Agent pursuant to this Agreement, and may join in any action that any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent may sell any of such Bonds at prices above or below par, at any time. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County and may act as depository, trustee or agent for any committee or body of Owners or owners of other obligations of the County as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to constitute the Remarketing Agent an underwriter of the Bonds or to obligate the Remarketing Agent to purchase any Bonds at any time.

Section 13. Intention of Parties. It is the express intention of the parties hereto that any purchase, sale or transfer of any Bonds, as herein provided, shall not constitute or be construed to be the extinguishment of any Bonds or the indebtedness represented thereby or the reissuance of any Bonds.

Section 14. Miscellaneous.

(a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand-delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid, to:

The Remarketing Agent:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center, Ninth Floor
New York, New York 10080
Attention: Municipal Markets Department
Telephone: (212) 449-5101
Telecopy: (646) 736-6960
Email: mona_payton@ml.com

The County:

King County, Washington
Department of Finance
ADM-FI-0611
500 Fourth Avenue
Seattle, Washington 98104
Attention: Nigel H. Lewis
Telephone: (206) 296-1168
Telecopy: (206) 296-7345
Email: nigel.lewis@kingcounty.gov

The Bond Registrar:

The Bank of New York Mellon
Corporate Trust Department, Fiscal Agencies Unit
101 Barclay Street, Floor 7 West
New York, New York 10286
Attention: Michael Hieb
Telephone: (212) 815-5120
Telecopy: (212) 815-3455
Email: michael.hieb@bnymellon.com

The Initial Liquidity Provider:

Bank of America, N.A.
WA1-501-34-03
800 Fifth Avenue, 34th Floor
Seattle, Washington 98104
Attention: Nancy D. Nuerenberg
Telephone: (206) 358-6729
Telecopy: (206) 358-8818
Email: nancy.d.nuerenberg@bankofamerica.com

ML Credit:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center, 21st Floor
New York, New York 10080
Attention: Mr. Cyril Swatko
Telephone: (212) 449-8339
Telecopy: (646) 738-1794
Email: cyril_swatko@ml.com

The County, the Remarketing Agent, the Bond Registrar, the Liquidity Provider and ML Credit may each, by notice given under this Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchase of any of the Bonds merely because of such purchase. Neither the Liquidity Provider nor any Owner or other third party shall have any rights or privileges hereunder.

(c) All of the representations and warranties of the County and the Remarketing Agent in this Agreement shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Remarketing Agent or the County, (ii) the offering and sale of and any payment for any Bonds hereunder or (iii) the termination or cancellation of this Agreement.

(d) This Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto.

(e) Nothing herein shall be construed to make any party an employee of the other or to establish any fiduciary relationship between the parties except as expressly provided herein.

(f) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

[Signature page follows]

(g) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

KING COUNTY, WASHINGTON

By: _____
Ken Guy, Director
Finance and Business Operations Division
Department of Executive Services

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: _____
Greg Sundberg, Managing Director

STANDBY BOND PURCHASE AGREEMENT

Dated as of February 26, 2009

by and among

KING COUNTY, WASHINGTON,
as County

THE BANK OF NEW YORK MELLON,
as Bond Registrar

and

BANK OF AMERICA, N.A.
as Bank

relating to

\$50,000,000
King County, Washington
Multi-Modal Limited Tax General Obligation Bonds
Series 2009 A

Bank of America 

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EXHIBIT A – FORM OF NOTICE OF PRESENTATION

EXHIBIT B – FORM OF CUSTODY AGREEMENT

STANDBY BOND PURCHASE AGREEMENT

This STANDBY BOND PURCHASE AGREEMENT ("Agreement") is entered into as of February 26, 2009, by and among KING COUNTY, WASHINGTON, a political subdivision of the State of Washington (the "County"), THE BANK OF NEW YORK MELLON, a New York State chartered bank, in its capacity as Bond Registrar (as defined below), and BANK OF AMERICA, N.A., a national banking association (the "Bank").

RECITALS

A. The County has determined that it is necessary and desirable and in the best interests of the County to arrange for the purchase by the Bank of outstanding King County, Washington, Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (each, a "Bond" and collectively, the "Bonds") on the terms and conditions set forth herein.

B. The County, the Bond Registrar and the Bank desire to enter into this Agreement to provide for the purchase of Bonds from time to time by the Bank on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the County, the Bond Registrar and the Bank hereby agree as follows:

ARTICLE I. DEFINITION; CONSTRUCTION

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Agreement" means this Standby Bond Purchase Agreement, as amended, supplemented or otherwise modified from time to time.

"Alternate Liquidity Facility" has the meaning specified in the Bond Legislation.

"Amortization End Date" means, with respect to each Bank Bond, the earliest to occur of (a) the third anniversary of the 61st day after the relevant Purchase Date and (b) the third anniversary of the last day of the Availability Period.

"Amortization Payment Date" means, with respect to each Bank Bond, (a) the first Business Day of the sixth calendar month immediately following the Purchase Date for such Bank Bond and the first Business Day of each sixth calendar month occurring thereafter prior to the Amortization End Date and (b) the Amortization End Date.

"Availability Period" means the period commencing at 11:00 a.m., New York City time, on the Effective Date and ending at the earlier to occur of (a) 5:00 p.m., New York City time, on February 26, 2011 (as the same may be extended from time to time as provided herein) and (b) the time that the Available Commitment is terminated pursuant to Section 9.04.

“Available Commitment” means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day. The Available Commitment is available only for Bonds that bear interest in any Covered Mode.

“Available Interest Commitment” means an amount equal to 34 days of interest on the Available Principal Commitment calculated at an assumed rate of interest of 12% per annum (on the basis of actual days elapsed and a year of 365/366 days). The Available Interest Commitment shall increase or decrease concurrently and proportionately with each increase or decrease in the Available Principal Commitment. In no event shall the Available Interest Commitment exceed \$558,905.

“Available Principal Commitment” initially means \$50,000,000, representing an amount equal to the original aggregate principal amount of the Bonds. The Available Principal Commitment shall be adjusted from time to time as follows: (a) downward by the principal amount of the Bonds redeemed, paid, defeased or converted to bear interest other than in a Covered Mode, (b) downward by the principal amount of any Bonds purchased by the Bank pursuant to Article II hereof, (c) downward by the principal component of any reduction in the Available Commitment pursuant to Section 2.10 and (d) upward by the principal amount of any Bonds, theretofore purchased by the Bank pursuant to Article II hereof, which are remarketed by the Remarketing Agent to the extent the Bank receives the proceeds of such remarketing; provided, however, that the Available Principal Commitment shall at no time exceed \$50,000,000. Any adjustments to the Available Principal Commitment pursuant to clauses (a), (b), (c) or (d) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“Bank” has the meaning specified in the introductory paragraph hereto.

“Bank Bond” means each Bond held by a Bank Bondholder, and in the Bond Legislation are defined as “Liquidity Provider Bonds.”

“Bank Bond Custody Agreement” means the Bank Bond Custody Agreement dated as of February 26, 2009 between the Bank and the Custodian and acknowledged by the County, substantially in the form of Exhibit B hereto, as amended, supplemented or otherwise modified from time to time.

“Bank Bond Interest Payment Date” has the meaning specified in Section 2.08.

“Bank Bond Payment Date” has the meaning specified in Section 2.08.

“Bank Bondholder” means the Bank (but only in its capacity as owner (which as used herein shall mean beneficial owner if at the relevant time Bank Bonds are held in book-entry form) of Bank Bonds pursuant to this Agreement) and any other Person to whom the Bank has sold Bank Bonds pursuant to Section 2.06(b).

“Bank Book-Entry Account” has the meaning specified in Section 2.02(c).

“Bank Rate” means, for each day of determination with respect to a Bank Bond, a rate per annum (computed on the basis a year of 365/366 days) equal to: (i) for the period from and

including the Purchase Date of such Bank Bond to and including the 30th day following such Purchase Date, the greater of (x) the Base Rate then in effect and (y) the highest interest rate at which any Bond is accruing interest; (ii) for the period from and including the 31st day immediately following such Purchase Date to and including the 60th day following the related Purchase Date, the greater of (x) the Base Rate then in effect plus one percent (1%) and (y) the highest interest rate at which any Bond is accruing interest; and (iii) for each day from, including and after the 61st day immediately following such Purchase Date, the greater of (x) the Base Rate then in effect plus two percent (2%) and (y) the highest interest rate at which any Bond is accruing interest; provided, that from and after the occurrence of a Termination Event, a Suspension Event, an Event of Default or a Ratings Event, the Bank Rate shall equal the Default Rate.

“Base Rate” means on any day the greater of (a) the Federal Funds Rate for such day plus three percent (3%) per annum and (b) the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate” plus two percent (2%) per annum. The “prime rate” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Each change in the Base Rate shall take effect at the time of such change in the Federal Funds Rate in the case of clause (a) above or at the opening of business on the day specified in the public announcement of such change in the Bank’s “prime rate” in the case of clause (b) above. All calculations are on the basis of actual days elapsed and a year of 365/366 days, as the case may be.

“Bond Legislation” means, collectively, Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285, Ordinance 15604 and Ordinance 16361 of the County, and Motion _____ of the County Council.

“Bond Registrar” has the meaning specified in the Bond Legislation.

“Bonds” has the meaning specified in the recitals to this Agreement, and shall include, unless the context otherwise requires, all Bank Bonds.

“Business Day” means any day other than (a) a Saturday or a Sunday, (b) any other day on which banks located in the State of Washington, the State of New York or the State in which (i) the principal corporate trust office of the Bond Registrar is located, (ii) the Presentation Office of the Bank is located and (iii) the principal office of the Remarketing Agent is located, are authorized or required by executive order or law to remain closed and (d) a day on which The New York Stock Exchange is closed; provided, however, that the Bank shall not be deemed to have notice of any day banks located in the State in which the principal office of the Remarketing Agent is located are authorized or required by executive order or law to remain closed unless the Bank has received written notice thereof from the County, the Bond Registrar and/or the Remarketing Agent.

“Code” means the Internal Revenue Code of 1986 and the rules and all promulgated (including temporary) regulations thereunder.

“Commitment Fee” has the meaning specified in Section 2.03.

“Commitment Fee Rate” has the meaning specified in Section 2.03.

“Conversion Date” means the date on which the interest rate borne by the Bonds has been converted to a Mode other than a Covered Mode.

“County” has the meaning specified in the introductory paragraph hereto.

“Covered Modes” means (a) the Daily Mode, (b) the Weekly Mode and (c) any Flexible Mode for which the interest on the Bonds is payable no less frequently than once each calendar month.

“Custodian” has the meaning specified in Section 2.02(c).

“Daily Mode” has the meaning specified in the Bond Legislation.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (c) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (d) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (e) all obligations of such Person as lessee under capital leases, (f) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (g) all obligations, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person including, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement condition or otherwise), or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

“Default Rate” means, at any time, the Base Rate then in effect plus three percent (3%).

“Differential Interest Amount” means, with respect to any Bank Bond, the excess of (a) interest which has accrued and could actually be paid on such Bank Bond at the Bank Rate, as determined in accordance with Section 2.05, up to but excluding the Business Day on which such Bank Bond is purchased from the Bank Bondholder of such Bank Bond pursuant to Section 2.06, less (b) the interest accrued on such Bank Bond and received by the Bank Bondholder of such Bank Bond as part of the Sale Price.

“Dollars,” “US\$,” “₹” and “U.S. Dollars” means the lawful currency of the United States of America.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Book-Entry Account” has the meaning specified in Section 2.02(c).

“Effective Date” means February 26, 2009.

“Eligible Bonds” has the meaning specified in Section 2.01(a).

“Event of Default” means an event specified in Section 9.03.

“Event of Insolvency” means the occurrence and continuance of one or more of the following events: (a) the County shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee, custodian, liquidator or receiver for itself or any substantial part of its property, or shall take any action to authorize or effect any of the foregoing, or in the absence of any such application, consent or acquiescence, a trustee, custodian, liquidator or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of sixty (60) days; (b) the State of Washington or any other governmental authority having jurisdiction over the County imposes on the County a debt moratorium, debt restructuring, or comparable restriction on repayment when due and payable of the principal of or interest on the debts of the County; (c) the property of the County shall be condemned, seized, or otherwise appropriated, if such condemnation, seizure or appropriation could have a material adverse effect on the ability of the County to perform its obligations hereunder, under any Bank Bond or under any Related Document; or (d) any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the County, in respect of the County (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of sixty (60) days.

“FAST Eligible Bonds” has the meaning specified in Section 2.02(c).

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Fees” means, collectively, the Commitment Fee and the Termination Fee (if any).

“Fitch” means Fitch, Inc.

“Flexible Mode” has the meaning specified in the Bond Legislation.

“Interest Component” has the meaning specified in Section 2.01(a).

“Maximum Bank Rate” means the maximum non-usurious lawful rate of interest permitted by applicable law.

“Maximum Bond Interest Rate” means the maximum rate applicable to Bonds which are not Bank Bonds as provided in the Bond Legislation.

“Mode” has the meaning specified in the Bond Legislation.

“Moody’s” means Moody’s Investors Service, Inc.

“Multi-Modal Bond Interest Payment Date” has the meaning specified in the Bond Legislation.

“Notice” means any notice by facsimile or other telecommunication device given to the other parties thereto. Such notice is deemed given only when actually received by such other parties.

“Notice of Presentation” means a Notice of Presentation, in the form of Exhibit A attached hereto, with all blanks appropriately filled in and duly executed by the Bond Registrar. Any such notice may be given by facsimile or other telecommunication device at the appropriate facsimile numbers or other telecommunication address information herein provided.

“Other Taxes” has the meaning specified in Section 3.01(b).

“Participant” means any Person to which the Bank or any participant has granted, directly or indirectly, a participation in the Bank’s commitment to purchase Eligible Bonds hereunder or in any Bonds so purchased and held by or for the account of the Bank and to receive amounts payable with respect to such Bonds; provided that any such participant shall take such participation subject to the terms of this Agreement.

“Payment Account” means, with respect to (a) the Bank, Bank of America, N.A., ABA No. 0260-0959-3, Account No. 109360-1001000, Reference: King County, or such other account as may be designated by the Bank in writing to the County and the Bond Registrar and (b) the Bond Registrar, Bank of New York Mellon, ABA No. 021000018, GLA/111565, Cust A/C 471131, King Cty SEW09 Liq Fac Fac Pur Acct, or such other account as may be designated by the Bond Registrar in writing to the Bank and the County.

“Person” means any individual, partnership, limited liability company, firm, corporation, association, joint venture, trust or other entity, or any government (or political subdivision or agency, department or instrumentality thereof).

“Presentation Office” means, for the Bank, Bank of America, N.A., WA1-501-34-03, 800 Fifth Avenue, Floor 34, Seattle, WA 98104, Attention: Nancy D. Nuerenberg, Senior Vice President, or such other address as may be designated by the Bank in writing to the Bond Registrar in accordance with Section 10.02.

“Purchase Date” means each date upon which any Notice of Presentation is received by the Bank pursuant to Section 2.01(a).

“Purchase Price” means, with respect to any Eligible Bond to be purchased on a Purchase Date, the unpaid principal amount thereof plus accrued interest thereon from and including the Multi-Modal Bond Interest Payment Date therefor next preceding such Purchase Date to but excluding such Purchase Date, in each case without premium; provided that accrued interest will not be included in the Purchase Price if the applicable Purchase Date is a Multi-Modal Bond Interest Payment Date; and provided further the aggregate amount of Purchase Price constituting the Interest Component shall not exceed the amount specified in Section 2.01(a).

“Rating” has the meaning specified in Section 2.03.

“Rating Agency” means each of Moody’s, S&P and Fitch and “Rating Agencies” means all of them.

“Ratings Event” means the withdrawal or suspension for credit related reasons related to the County by any of Moody’s, S&P and/or Fitch of the long term unenhanced ratings (i.e., any rating that is assigned to a Bond or any other indebtedness of the County senior to or on a parity with the Bonds without regard to the provision of credit enhancement such as a letter of credit, bond insurance policy or other financial guarantee) of the Bonds or any other indebtedness of the County senior to or on a parity with the Bonds or the reduction in any such rating below “A2” (or its equivalent) by Moody’s, “A” (or its equivalent) by S&P or “A” (or its equivalent) by Fitch, respectively.

“Reimbursement Obligation” means, with respect to each payment made by the Bank hereunder in connection with the purchase of Bonds, the obligation of the County to repay the same, and the principal amount of each such Reimbursement Obligation shall be equal to the principal component of the Purchase Price of Bonds so purchased by the Bank pursuant to such payment.

“Related Documents” means, collectively, this Agreement, the Bonds, the Bank Bond Custody Agreement and the Remarketing Agreement.

“Remarketing Agent” means Merrill Lynch, Pierce, Fenner & Smith Incorporated, and its successors.

“Remarketing Agreement” means the Remarketing Agreement dated as of February 26, 2009 between the County and the Remarketing Agent, as amended, supplemented or otherwise modified from time to time in accordance with its terms and this Agreement.

“Sale Price” has the meaning specified in Section 2.06(a).

“S&P” means Standard & Poor’s Ratings Service, a division of The McGraw-Hill Companies, Incorporated.

“Substitution Date” means the date on which an Alternate Liquidity Facility is to be substituted for this Agreement.

“Suspension Event” means an event specified in Section 9.02.

“Taxes” has the meaning specified in Section 3.01(a).

“Termination Event” means an event specified in Section 9.01.

“Termination Fee” has the meaning specified in Section 2.04(d).

“Weekly Mode” has the meaning specified in the Bond Legislation.

1.02 Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not defined herein has the meaning provided therefor in the Bond Legislation.

1.03 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Sections and Exhibits shall be construed to refer to Sections of, and Exhibits to, this Agreement.

ARTICLE II. PURCHASE OF THE BONDS

2.01 Commitment to Purchase Bonds.

(a) Commitment. Subject to Section 2.01(b), at any time and from time to time during the Availability Period upon receipt by the Bank of a Notice of Presentation from the Bond Registrar pursuant to and in accordance with Section 2.02, the Bank agrees, on the terms and conditions specified herein, to purchase by 2:30 p.m. New York City time on the Purchase Date specified in the Notice of Presentation, at the Purchase Price, with immediately available funds, Bonds that bear interest at any Covered Mode and which are not Bank Bonds or Bonds owned by or held on behalf of, for the benefit of or for the account of, the County (herein referred to as “Eligible Bonds”) which are specified for purchase in the Notice of Presentation; provided that in no event shall the aggregate outstanding principal amount of all Bonds held by or for the account of the Bank and all such Bonds so to be purchased by the Bank at any time exceed the Available Principal Commitment at such time. The aggregate amount of the Purchase Price comprising interest on Bonds (the “Interest Component”) purchased on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment at such time and (ii) the actual aggregate amount of unpaid interest accrued on such Bonds to such Purchase Date. The Bank agrees that it will use its own funds in making any such purchases. Any Bonds so purchased shall thereupon constitute Bank Bonds and shall, from the date of such purchase and

while they are Bank Bonds, bear interest at the Bank Rate and have other characteristics of Bank Bonds as set forth herein and in the Bond Legislation.

(b) Minimum Denominations. The Bank shall not be required to purchase Eligible Bonds unless the principal amount tendered for purchase is in a minimum denomination of \$100,000 and multiples of \$5,000 in excess thereof.

(c) Termination. Upon the termination of the Availability Period, the Available Commitment shall be terminated and reduced to zero.

2.02 Notice of Presentation; Purchase; Registration of Bank Bonds.

(a) Notice of Presentation. The County will cause the Bond Registrar to give to the Bank in connection with the purchase of Eligible Bonds in accordance with Section 2.01, (i) telephonic notice no later than 12:30 p.m. New York City time on the Purchase Date for such Eligible Bonds, and (ii) a Notice of Presentation at the Presentation Office of the Bank no later than 1:00 p.m. New York City time on the Purchase Date, specifying the Purchase Price of the Eligible Bonds to be purchased by the Bank on that Purchase Date; provided, however, that the failure of the Bond Registrar to give to the Bank telephonic notice on the Purchase Date by the time herein specified with respect to the purchase of Eligible Bonds shall not affect the effectiveness of a Notice of Presentation given on such Purchase Date by the time herein specified with respect to such Eligible Bonds. A duly completed and executed Notice of Presentation received after 1:00 p.m. New York City time but at or before 4:30 p.m. New York City time on a Business Day shall be considered to have been delivered no later than 1:00 p.m. New York City time on the next Business Day.

(b) Method of Purchase. Upon receipt of a Notice of Presentation by the Bank in accordance with Section 2.02(a) and satisfaction of all conditions precedent set forth in Section 7.02, payment shall be made by the Bank, not later than 2:30 p.m. New York City time on the Purchase Date specified in such Notice of Presentation, by wire transfer of immediately available funds to the Payment Account held by the Bond Registrar. The Bank shall have no responsibility for, or incur any liability in respect of any act, or any failure to act, by the Bond Registrar which results in the failure of the Bond Registrar (x) to credit the appropriate account with funds made available by the Bank pursuant to this Section or (y) to effect the purchase for the account of the Bank of Eligible Bonds with such funds pursuant to this Section 2.02.

(c) Registration of Bonds. (i) So long as the Bonds are issued in book-entry form and held by the Bond Registrar as custodian of DTC as part of DTC's fast automated transfer program ("FAST Eligible Bonds"), concurrent with the Bond Registrar's receipt of the purchase price for each purchase of Eligible Bonds by the Bank hereunder, the Bond Registrar, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the DTC account designated by the Bank as its account in which to hold Bank Bonds (the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the CUSIP number for the Bank Bonds; and (B) debiting the book-entry account of DTC for such Bonds (thereby reducing the principal balance of the global certificate representing such Bonds) (the "DTC Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank.

In the event the Bank purchases Bonds hereunder and is not immediately reimbursed therefor, the Bond Registrar shall promptly obtain a CUSIP number for the Bank Bonds so that the Bank Bonds can be separately identified by CUSIP number from all other Bonds. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of this Agreement and the Bond Registrar's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.06(a), the Bond Registrar, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Bank by the principal amount of the Bank Bonds so remarketed; and (B) crediting the DTC Book-Entry Account for such Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bank Bonds so remarketed. The Bond Registrar acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended, and agrees that, with respect to any and all Bank Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in this clause (i), the Bond Registrar, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of this clause (i) so as to eliminate such inconsistency.

(ii) If the Bonds are no longer FAST Eligible Bonds, concurrent with the Bond Registrar's receipt of the purchase price for each purchase of Eligible Bonds by the Bank hereunder, the Bond Registrar shall cause each Bank Bond to be registered in the name of the Bank and shall be held by the Bond Registrar as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the County or any other Person with respect to such Bank Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Bank Bonds to, or cause Bank Bonds to be registered in the name of, the County, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Payment Account of the Bank. Upon the remarketing of any Bank Bonds and the Bond Registrar's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.06(a), the Custodian shall release Bank Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the County, as the case may be, in accordance with the terms of the Bond Legislation. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in

good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's written request such information as may be in the possession of the Custodian with respect to the Bank Bonds. If the Custodian is holding Bank Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

(d) Return of Excess Funds. Amounts made available hereunder by the Bank which are not so used to purchase Eligible Bonds or which are not required by the Bond Registrar to purchase undelivered Bonds will be returned to the Bank no later than 4:30 p.m. New York City time on the Purchase Date. In the event the Bond Registrar fails to return such funds by 4:30 p.m. New York City time on such date, the County shall pay interest to the Bank for each day until such funds are returned at a rate equal to (i) the Bank's cost of funds for one night overdrafts in New York, New York until the next Business Day; (ii) the Base Rate for the period commencing on the Business Day after the applicable Purchase Date to and including the ninth day after the applicable Purchase Date; and (iii) the Default Rate for the period commencing on the tenth day after the applicable Purchase Date. For purposes of computing such interest, funds returned after 4:30 p.m. New York City time on a Business Day shall be deemed to have been returned on the following Business Day.

2.03 Commitment Fee. The County shall pay to the Bank a commitment fee (the "Commitment Fee") at the applicable rate per annum set forth in the grid below (the "Commitment Fee Rate") on the average daily amount of the Available Commitment during each period in respect of which payment is to be made:

<u>Level</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>	<u>Fitch Rating</u>	<u>Commitment Fee Rate</u>
Level 1:	Aa1 or above	AA+ or above	AA+ or above	0.45%
Level 2:	Aa2	AA	AA	0.45%
Level 3:	Aa3	AA-	AA-	0.50%
Level 4:	A1	A+	A+	0.60%
Level 5:	A2	A	A	0.70%
Level 6:	A3	A-	A-	0.80%
Level 7:	Baa1	BBB+	BBB+	1.05%

Level 8:	Baa2	BBB	BBB	1.30%
Level 9:	Baa3	BBB-	BBB-	1.55%

In the event that the long term unenhanced ratings of the Bonds or any other limited tax general obligation Debt of the County senior to, or on a parity with, the Bonds is suspended for credit related reasons or withdrawn by any Rating Agency, the Commitment Fee Rate shall be increased by 1.50% per annum from the Commitment Fee Rate in effect on the date of the occurrence of such event. Upon the occurrence and continuance of an Event of Default, a Suspension Event or a Termination Event the Commitment Fee Rate shall be increased by 1.50% per annum from the Commitment Fee Rate in effect on the date of the occurrence of such event. The term "Rating" as used above shall mean the lowest unenhanced (without regard to bond insurance or any other form of credit enhancement) long-term rating assigned by any of Moody's, S&P or Fitch to the Bonds or any other long-term Debt of the County that is senior to or on a parity with the Bonds. In the event of a split rating (i.e., one of the ratings assigned by a Rating Agency to the County's long-term Debt is at a different level than the rating assigned by the other Rating Agencies), the Commitment Fee Rate shall be based upon the level in which the lower rating appears. Any change in the Commitment Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in the Rating. References to the Rating above is a reference to the rating category of the Rating Agencies as presently determined by the respective Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, the Ratings from the applicable Rating Agency shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The County acknowledges that as of the Effective Date the Commitment Fee Rate is that specified above for Level 1 above.

The Commitment Fee shall accrue for (x) each period ending on March 31, June 30, September 30 and December 31 during the Availability Period, with the first such period beginning on the Effective Date and ending on March 31, 2009, and (y) the period ended on the last day of the Availability Period or, if earlier, the date on which the Available Commitment is terminated or reduced to zero. The Commitment Fee shall be payable in arrears on each April 1, July 1, October 1 and January 1 (or if such day is not a Business Day, on the next following Business Day) beginning April 1, 2009 with respect to the quarterly period or portion thereof ending on the last day of the preceding month, and on the last day of the Availability Period or, if earlier, the date on which the Available Commitment is terminated or reduced to zero. For the purposes of this Section 2.03 only, the Available Commitment shall be deemed not to be reduced during any period the Bank's obligation to purchase Eligible Bonds has been suspended pursuant to Section 9.04(c).

2.04 Additional Fees; Termination Fee.

(a) Purchase Fee. Upon each purchase of Eligible Bonds made by the Bank pursuant to Section 2.01(a), the County agrees to pay to the Bank a purchase fee of \$250.00 per drawing, payable on the date of each such purchase or, at the election of the County, the first Business Day of the following calendar month, in arrears.

(b) Amendment Fee. The County shall pay, or cause to be paid, in connection with the written request by the County or the Bond Registrar of any amendment, supplement, modification, waiver or consent relating to this Agreement or any other Related Document requiring any action on the part of the Bank or any transfer of the rights and obligations under this Agreement by the County or the Bond Registrar, an amount equal to \$2,500, plus the reasonable fees of any legal counsel retained by the Bank in connection therewith.

(c) Additional Amounts. The County shall also pay to the Bank when due all amounts payable by the County to the Bank pursuant to Sections 3.02, 10.04 and 10.05 hereof, together with interest thereon at the Bank Rate for each day from the date when due until paid.

(d) Termination Fee. In the event the County terminates this Agreement, whether by replacement or otherwise, prior to the first anniversary of the Effective Date, the County shall pay or cause to be paid to the Bank a non-refundable termination fee (the "Termination Fee") equal to the Commitment Fee that would have been payable to the Bank pursuant to Section 2.03 but for the termination of this Agreement for the period from and including the date on which this Agreement is terminated to and including the first anniversary of the Effective Date assuming (i) a rate per annum equal to the rate per annum at which the Commitment Fee is calculated immediately prior to the termination of this Agreement and (ii) an Available Commitment equal to the Available Commitment in effect immediately prior to the termination of this Agreement.

2.05 Interest Payable with Respect to Bank Bonds.

(a) Bank Rate. Any Bond purchased by the Bank pursuant to this Agreement shall upon such purchase by the Bank become a Bank Bond and shall bear interest at the Bank Rate for the period commencing from the date that the Bank shall have purchased such Bond and shall continue bearing interest at the Bank Rate until such Bond is paid in full or remarketed or purchased from the Bank or other Bank Bondholder as provided in Section 2.06(a) or 2.08; provided, however, at no time shall Bank Bonds bear interest in excess of the Maximum Bank Rate.

(b) Default Rate. If the principal amount of any Bank Bond, the interest accrued thereon, or any other obligation of the County under this Agreement or the Bank Bonds (including, to the extent permitted by law, any interest payment required thereunder) is not paid when due (whether by acceleration, redemption or otherwise), such overdue principal payment or other obligation shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum (computed on the basis of actual days elapsed and a year of 365/366 days) equal to the Default Rate from time to time in effect. Such interest shall be payable on demand. If at any time an Event of Default, a Ratings Event, a Termination Event or a Suspension Event has occurred and is continuing, the principal amount of any Bank Bond, or any other obligation of the County under this Agreement or the Bank Bonds (including, to the extent permitted by law, any interest payment required thereunder), shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum (computed on the basis of actual days elapsed and a year of 365/366 days) equal to the Default Rate from time to time in effect. Such interest shall be payable on demand.

(c) Interest Component. The County agrees to pay the component, if any, of each advance made by the Bank under this Agreement to purchase any Bond which corresponds to accrued interest on such Bond, together with interest on such component accruing at the Bank Rate from and including the date on which the Bank purchased such Bond to but excluding the date on which such component (and accrued interest thereon) is paid in full.

2.06 Remarketing of Bank Bonds; Redemption of Bank Bonds.

(a) Sales by Remarketing Agent. On any Business Day, the County may cause the Bond Registrar to give Notice to the Bank stating that the County elects to remarket the Bank Bonds in a minimum principal amount of \$100,000 and multiples of \$5,000 in excess thereof, and such Notice may state that the Bank Bonds are to be remarketed to the County. Bank Bonds that are purchased by the County in any such remarketing are not extinguished and shall continue to be Bonds subject to this Agreement. Any such Notice that is received by the Bank at or before 12:30 p.m. New York City time on a Business Day shall be effective on the Business Day it is received and any such Notice that is received by the Bank after 12:30 p.m. New York City time on a Business Day shall be effective on the next succeeding Business Day. The Bank and each other Bank Bondholder, by the acceptance by each of a Bank Bond, hereby instructs the Bond Registrar and/or Custodian to release the Bank Bonds, if such Bank Bonds are then held by the Bond Registrar or Custodian, or to tender the Bank Bonds to the Bond Registrar for purchase, if such Bank Bonds are not then held by the Bond Registrar, no later than 3:30 p.m. New York City time on the date designated by the Bond Registrar for remarketing of such Bank Bonds, but only against delivery by wire transfer to the Bond Registrar, the Custodian or the Bank, as the case may be, of the principal amount of the Bonds that are being remarketed plus accrued interest on such Bonds calculated pursuant to Section 2.05 (the "Sale Price"); provided that none of the Bond Registrar, the Custodian, the Bank or any other Bank Bondholder shall be obligated to release or tender Bank Bonds for remarketing and Bank shall have no obligation to sell Bank Bonds unless the County has paid or has duly provided for the payment of the Differential Interest Amount to the Bank or such other Bank Bondholder. If less than all Bank Bonds are remarketed on any date, the Bank Bonds having the highest Differential Interest Amount payable shall be remarketed first. Any sale of a Bank Bond pursuant to this Section 2.06(a) shall be without recourse to the seller and without representation or warranty of any kind. The Bank agrees to deliver and, by its acceptance of a Bank Bond, each other Bank Bondholder agrees to deliver (but only upon receipt by the Bank or such other Bank Bondholder of the Sales Price and the Differential Interest Amount) to the Bond Registrar each certificate representing a Bank Bond sold by it pursuant to this Section 2.06(a); provided that in the event that the Bank or any Bank Bondholder has not delivered the certificates representing the Bank Bond sold by it as provided above and the Sale Price and the Differential Interest Amount therefor has been received by the Bank or such Bank Bondholder as provided above, such certificates shall be deemed to have been delivered and the Bank Bonds represented by such certificates shall no longer be considered Bank Bonds. If Bank Bonds are held in book-entry form, upon receipt by the Bank or such other Bank Bondholder of the Sales Price and the Differential Interest Amount the Bond Registrar shall cause the purchaser of such Bank Bonds to be shown as the beneficial owner of such Bonds on the books and records of the Bond Registrar and DTC.

(b) Sale of Bank Bonds. The Bank expressly reserves the right, and shall have the right, to sell, at any time, Bank Bonds subject, however, to the express terms of this Agreement.

The Bank agrees that such sales will be made only to institutional investors or other entities or individuals which customarily purchase tax-exempt securities in large denominations. The Bank agrees to notify in writing the County, the Bond Registrar and the Remarketing Agent promptly of any such sale and, if such Bank Bond is held in book-entry form, specifying the account at the DTC (or successor securities depository) to which such Bank Bond is to be credited; and to notify the transferee in writing (i) that such Bank Bond is subject to remarketing under Section 2.06(a), (ii) that such Bank Bond may not be tendered for purchase and purchased with amounts advanced under Section 2.01 and (iii) that there may not be a short-term investment rating assigned to such Bond so long as it remains a Bank Bond. Any Bank Bondholder purchasing a Bank Bond from the Bank shall be deemed to have agreed (1) not to sell such Bank Bond to any Person except to the Bank or institutional investors or other entities or individuals which customarily purchase tax-exempt securities in large denominations and (2) in the event of any sale of such Bank Bond to any such institutional investor or other entity or individual, to notify the transferee in writing as to the matters set forth in clauses (i) and (ii) of the preceding sentence.

(c) Mandatory Redemption. Each Bank Bond, together with accrued interest thereon, shall be redeemed in six (6) equal semi-annual installments of principal payable on each Amortization Payment Date for such Bank Bond and with the final installment being due and payable no later than the Amortization End Date for the Bank Bond; provided that if, prior to the Amortization End Date, any of the events set forth in Section 2.08(i) through and including Section 2.08(iv) below shall occur with respect to such Bank Bond, such Bank Bond, together with accrued interest thereon, shall be due and payable in full on the applicable Bank Bond Payment Date. The Bank shall use its best efforts to notify the County of the amount of accrued interest on each Bank Bond on the Business Day prior to the date on which such amount is due.

(d) Optional Redemption. The County may optionally redeem any Bank Bond at any time prior to the date on which such Bank Bond is required to be redeemed under Section 2.06(c) on one Business Day's notice.

2.07 Rights of Bank Bondholders. Upon purchasing Bank Bonds, Bank Bondholders shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded the owners (or, in the case of Bank Bonds held in book-entry form, beneficial owners) of the Bonds, except to the extent such rights and privileges otherwise conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank Bonds, Bank Bondholders shall be recognized by the County, the Bond Registrar and the Remarketing Agent as the true and lawful owners (or, in the case of Bank Bonds held in book-entry form, beneficial owners) of the Bank Bonds, free from any claims, liens, security interests, equitable interests and other interests of the County, except as such interests might exist under the terms of the Bank Bonds with respect to all owners (or, in the case of Bank Bonds held in book-entry form, beneficial owners) of the Bonds.

2.08 Maturity; Interest. The County agrees that, with respect to each Bank Bond, such Bank Bond shall be paid in full no later than the earliest to occur of (i) the Amortization End Date for such Bank Bond, (ii) the Conversion Date for such Bank Bond, (iii) the date on which such Bank Bond is redeemed, defeased or otherwise payable in accordance with its terms, and (iv) the Substitution Date (any one of the foregoing constituting a "Bank Bond Payment

Date”) if not earlier required to be paid under this Agreement; provided, however, that for purposes of clauses (ii) and (iv), rather than paying such Bank Bond in full, the County may, at its option, purchase or cause such Bank Bond to be purchased from the Bank or other Bank Bondholder on the Conversion Date for such Bank Bond or the Substitution Date, as applicable, for an amount equal to the principal amount of such Bank Bond plus accrued interest on such Bank Bond calculated pursuant to Section 2.05. The County further agrees that, with respect to each Bank Bond, (a) the interest, if any, included in the Purchase Price for such Bank Bond shall be due and payable on the Bank Bond Interest Payment Date immediately following the date on which such Bond became a Bank Bond; (b) the interest on the unpaid amount of each such Bank Bond from and including the applicable Purchase Date shall be computed at a rate per annum equal to the Bank Rate as determined pursuant to Section 2.05(a); and (c) interest payable pursuant to clause (b) shall be payable (i) monthly on the first Business Day of each calendar month, (ii) on the Bank Bond Payment Date, (iii) after the Bank Bond Payment Date on demand, and (iv) on the date on which a Bank Bond is sold pursuant to Section 2.06(a) (any one of the foregoing constituting a “Bank Bond Interest Payment Date”).

2.09 Manner and Place of Payment; Interest Calculation.

(a) Manner of Payment. Unless otherwise specified herein, all payments by the County under this Agreement, including, without limitation, payments of principal of or interest on Bank Bonds, shall be effective only if made in lawful money of the United States and in immediately available funds by wire transfer to the Payment Account of the Bank.

(b) Place of Payment. All payments by or on behalf of the County hereunder shall be made to the Bank not later than 4:30 p.m., New York City time, to its Payment Account. Payment received after 4:30 p.m. New York City time on a Business Day shall be deemed received on the next following Business Day.

(c) Default Rate. If any payment by or on behalf of the County hereunder is not paid when due, such overdue payment shall bear interest from the date such payment was due until paid in full at a rate per annum equal to the Default Rate from time to time in effect. Such interest shall be payable on demand.

(d) Interest Calculation. Interest and fees payable hereunder and interest on each Bank Bond shall be computed on the basis of actual days elapsed and a year of 365/366 days.

(e) Non-Business Days. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be or becomes due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day. If the date for any payment hereunder is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(f) Book Entries. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the Reimbursement Obligations and the other obligations of the County under this Agreement. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall, in the absence of manifest error, be

conclusive evidence of the existence and amounts of the Reimbursement Obligations and the other obligations of the County therein recorded.

2.10 Reduction of Commitment. On any Business Day after the Effective Date, the County may, but shall not be required to, give Notice to the Bank that the County elects to reduce the Available Commitment in a minimum principal amount of \$5,000,000 and multiples of \$1,000,000 in excess thereof, effective on the day (which day must be a Business Day) specified in such Notice; provided that such Notice is received by the Bank not more than thirty (30) or less than fifteen (15) days prior to the effective date specified in such Notice. Upon any such notice of election to reduce the Available Commitment, the Available Commitment shall be reduced by the amount of such reduction as of said effective date so that the Available Commitment is reduced to the amount specified by the County.

2.11 Term of Agreement. This Agreement shall become effective upon satisfaction of all conditions precedent set forth in Section 7.01, and the Available Commitment shall continue in full force and effect for the Bonds until the earlier of (i) the end of the Availability Period; (ii) 12:00 noon (New York City time) on the day (which day must be a Business Day) specified in a Notice given by the County to the Bank and the Bond Registrar that the County elects to terminate the Available Commitment; provided that such Notice is received by the Bank and the Bond Registrar not more than thirty (30) or less than fifteen (15) days prior to the date specified in such Notice; (iii) at the close of business (New York City time) on the Conversion Date; provided that if the Bond Registrar has timely delivered a Notice of Presentation to the Bank in connection with a mandatory purchase of the Bonds on such Conversion Date, the Available Commitment shall remain effective until the Bank has purchased the Bonds in accordance with the terms of such Notice of Presentation; (iv) at the close of business (New York City time) on the Substitution Date; provided that if the Bond Registrar has timely delivered a Notice of Presentation to the Bank in connection with its receipt of an Alternate Liquidity Facility for the Bonds, the Available Commitment shall remain effective until the Bank has purchased the Bonds in accordance with the terms of such Notice of Presentation; (v) the date on which no Bonds are outstanding; or (vi) the occurrence of a Termination Event; provided that any such termination will not affect (x) the County's indemnification obligations set forth in Section 10.05 or its obligation to pay to the Bank any amount to which the Bank may be entitled pursuant to the terms of this Agreement, including, without limitation, any amounts due with respect to any Bonds held by or for the benefit of the Bank; or (y) subject to Section 9.04(b), the obligation of the Bank to purchase Eligible Bonds that are the subject of a Notice of Presentation delivered by the Bond Registrar in accordance with Section 2.02(a) and received by the Bank on or prior to the date of such termination.

2.12 Extension. Not less than one hundred eighty (180) days nor more than two hundred forty (240) days prior to the last day of the Availability Period, the County may make a written request to the Bank to extend the Availability Period for a period up to two (2) additional years. The Bank shall respond to such request, in its sole discretion, by written notice to the County, such notice to be given within sixty (60) days after receipt of such request from the County. The failure of the Bank to respond to such a request shall be deemed a denial of that request. If the Bank agrees to such an extension, the Bank will enter into a supplement to this Agreement with the County and the Bond Registrar so extending the Availability Period.

2.13 Security and Pledge. The full faith, credit and resources of the County are hereby irrevocably pledged on a limited tax general obligation basis as security for the prompt payment of the Reimbursement Obligations and the other obligations of the County under this Agreement as the same shall become due.

ARTICLE III. TAXES; INCREASED COSTS

3.01 Taxes.

(a) Payments Free of Taxes. Any and all payments to the Bank by or on behalf of the County hereunder and under the other Related Documents shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the County shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including withholdings or deductions applicable to additional sums payable under this Section 3.01), the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the County shall make such withholdings or deductions and (iii) the County shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) Payment of Other Taxes. In addition, the County agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, the State of Washington or any other taxing authority from any payment made hereunder or under any other Related Document or from the execution or delivery or otherwise with respect to this Agreement or any other Related Document (hereinafter referred to as "Other Taxes"). The Bank shall provide to the County within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the County to the Bank hereunder; provided that the failure by the Bank to send such notice shall not relieve the County of its obligation to pay such amounts hereunder.

(c) Reimbursement. To the extent permitted by law, the County agrees to reimburse the Bank for the full amount of any Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; provided, that the County shall not be obligated to reimburse the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the County of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided, that the Bank's failure to notify the County promptly of such assertion shall

not relieve the County of its obligation under this Section 3.01. Payments by the County pursuant to this subsection shall be made within thirty (30) days after the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the Bank's determination of such amounts.

(d) Evidence of Payments. Within thirty (30) days after the date of any payment of Taxes by the County, the County shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The County shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by the County to so furnish such copy of such receipt.

3.02 Increased Costs, Capital Adequacy.

(a) Increased Costs. If on or after the date hereof, the adoption of any law, rule or regulation, or any change therein, or in the interpretation or administration thereof by any court, governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive made on or after the date hereof (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject the Bank to any tax, charge, fee, deduction or withholding of any kind with respect to this Agreement or any Bonds purchased by the Bank hereunder, or shall change the basis of taxation of payments to the Bank of any amounts due under this Agreement or any Bonds purchased by the Bank hereunder (except for changes in the rate of tax imposed on or measured by the overall net income of the Bank);

(ii) shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System), premium, special deposit or similar requirements against the assets of, deposits with or for the account of, or credit extended by, the Bank or shall impose on the Bank any other condition affecting its obligations under this Agreement;

(iii) change the basis of taxation of payments due the Bank under this Agreement (except for changes in taxation of the overall net income of the Bank); or

(iv) impose upon the Bank any other condition with respect to such amount paid or payable to or by the Bank or with respect to this Agreement;

and the result of any of the foregoing is to increase the cost to the Bank of performing its obligations under this Agreement, or to reduce the amount of any sum received or receivable by the Bank under this Agreement or any Bonds purchased by the Bank hereunder, by an amount deemed by the Bank to be material, then within thirty (30) days after demand by the Bank (or, if such increased costs will continue to be incurred by the Bank, in arrears on a monthly basis as agreed between the County and the Bank), the County shall pay to the Bank such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment.

(b) Capital Adequacy. If the Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change

therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of the Bank (or of any Person controlling the Bank (a "Parent")) to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank with respect to capital adequacy) by an amount deemed by the Bank to be material, or affects or would affect the amount of capital required or expected to be maintained by the Bank or the Parent by an amount deemed by the Bank to be material, as a consequence of its obligations hereunder, then within thirty (30) days after demand by the Bank (or, if such reduction in the rate of return on capital, or such capital increase, of the Bank will continue to be incurred by the Bank, in arrears on a monthly basis as agreed between the County and the Bank), the County shall pay to the Bank such an amount or amounts as will compensate the Bank for such additional amount or amounts as will compensate the Bank for such reduction or capital increase.

(c) Notice. The Bank will use its best efforts to notify the County within ninety (90) days of the Bank's obtaining knowledge of any event occurring after the date hereof which will entitle the Bank to compensation pursuant to this Section; provided that the failure of the Bank to notify the County within such 90-day period shall relieve the County from any liability for payment of such compensation for any increased costs to the extent (and only to such extent) that such increased costs are incurred during the period commencing after the date the Bank obtains such knowledge and ending on the date the Bank notifies the County of such event. A certificate of the Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder and attaching such information in reasonable detail as may be reasonably requested by the County shall be conclusive in the absence of manifest error. In determining such amount, the Bank may use any reasonable average and attribution methods.

(d) No Greater Payment. No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under this Section than the Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the County's prior written consent.

3.03 Survival. All rights and responsibilities under this Article III shall survive the termination of this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF COUNTY

The County represents, warrants and agrees with the Bank as follows:

4.01 Power and Authority. The County is a political subdivision of the State of Washington and has all requisite power and authority to (a) own its properties and to carry on its business as now being and hereafter proposed to be conducted, (b) adopt, execute, deliver and perform all of its obligations hereunder and under the other Related Documents, (c) incur the indebtedness evidenced by the Bonds, (d) levy an *ad valorem* tax within the constitutional and

statutory tax limitations provided by law without a vote of the people, for as long as any Bonds, any Reimbursement Obligations or any other obligations of the County under this Agreement are outstanding and unpaid upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and the interest on the Bonds as the same shall become due, and to pay the Reimbursement Obligations and the other obligations of the County under this Agreement, and (e) adopt, execute and deliver any and all instruments and documents required to be adopted, executed or delivered pursuant to or in connection herewith or therewith and to perform each and all of the matters and things provided for herein and therein.

4.02 No Violation. The execution, delivery and performance by the County of this Agreement and the other Related Documents and any and all instruments or documents required to be adopted or executed in connection herewith or therewith have been or will by the Effective Date be duly authorized and do not and will not, in any respect material to the ability of the County to perform its obligations under this Agreement or the remedies of the Bank under this Agreement, (a) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award in effect having applicability to the County or (b) result in a breach of or constitute a default under any indenture, loan, credit agreement or any other agreement, lease or instrument to which the County is a party or by which the County is bound.

4.03 Authorization. No authorization, consent, approval, license, exemption from or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, other than those which have been or will by the Effective Date be obtained, will be necessary for the valid adoption, execution, delivery and performance by the County of this Agreement or any of the other Related Documents.

4.04 Binding Agreements. This Agreement and each of the other Related Documents constitutes the legal, valid and binding obligation of the County, enforceable against the County in accordance with their respective terms, except as the binding effect and the enforcement thereof may be limited by insolvency, reorganization, liquidation, receivership, conservatorship, moratorium, or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the insolvency, reorganization, liquidation, receivership or conservatorship of, or other similar occurrence with respect to, the County, or in the event of any moratorium or similar occurrence affecting the County, and the availability of equitable remedies (including without limitation the remedy of specific performance) may be limited by equitable principles of general applicability, and payment of the Bonds is and shall continue to be an obligation of the County secured by and payable from the sources specified in the Bond Legislation.

4.05 No Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, arbitrator, governmental or other board, body or official, pending with service of process accomplished or, to the best knowledge of the County after due inquiry, threatened against or affecting the County, which in any manner draws into question the validity or enforceability of this Agreement or any of the other Related Documents or in any way contests the existence, organization or powers of the County or any elected official thereof to

adopt, execute and deliver this Agreement or any of the other Related Documents, to issue the Bonds or to perform the obligations hereunder or thereunder or contemplated hereby or thereby.

4.06 Accurate Disclosure. All factual information provided to the Bank by or on behalf of the County is, and all other such factual information hereafter provided will be, to the knowledge of the County, accurate in all material respects on the date as of which such information is certified. The official statement for the Bonds (other than the financial statements included therein), true copies of which have heretofore been delivered to the Bank, and each amendment or supplement thereto prepared subsequent to the Effective Date (a true copy of which shall be furnished to the Bank) do not and will not as of the date thereof contain any untrue statement of a material fact and do not and will not as of the date thereof fail to state a material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading, except no representation is made as to any information furnished by DTC or the Bank expressly for inclusion therein.

4.07 Financial Statements. The audited financial statements of the County for each of its fiscal years ended 2005, 2006 and 2007, including balance sheets as of December 31 of each of said years, all examined and reported on by independent public accountants, prepared by the County, as heretofore delivered to the Bank correctly and fairly present the financial condition of the County as of said dates and the results of the operations of the County for each of such periods, respectively, and have been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the County since December 31, 2007 from that set forth in said financial statements as of and for the period ended on that date.

4.08 Sovereign Immunity. The County is not entitled to immunity from legal proceedings to enforce this Agreement, the Bonds or any other Related Document (including, without limitation, immunity from service of process or immunity from jurisdiction of any court otherwise having jurisdiction).

4.09 Compliance. The County is in compliance with the terms and conditions of this Agreement and each of the other Related Documents, and no breach of the terms hereof or thereof nor any Event of Default, Ratings Event, Termination Event or Suspension Event has occurred and is continuing, and no event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default, Ratings Event, Termination Event or Suspension Event or a breach of the terms hereof or thereof.

4.10 Bonds. Each Bond will be duly issued under the Bond Legislation, and each such Bond shall be entitled to the benefits thereof.

4.11 Related Documents. Each of the Related Documents (other than this Agreement) to which the County is a party is in full force and effect and none of the Related Documents has been amended or supplemented except by such amendments or supplements as have previously been delivered to the Bank.

4.12 Prospective Change in Law. To the best knowledge of the County, there is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of Washington or any published administrative interpretation of the Constitution of the State of Washington or any State of Washington law, or any legislation which has passed either house of the State legislature, the effect of which is to materially adversely affect the ability of the County to perform its obligations under this Agreement or any of the other Related Documents.

4.13 Bond Registrar and Remarketing Agent. The fiscal agency of the State of Washington (currently The Bank of New York Mellon) is the duly appointed and acting Bond Registrar, and Merrill Lynch, Pierce, Fenner & Smith Incorporated (or a successor or assign approved in writing by the Bank) is the duly appointed and acting Remarketing Agent as to the Bonds.

4.14 Security. The pledge in favor of the Bank contained in Section 2.13 is a valid and binding pledge of the full faith, credit and resources of the County on a limited tax general obligation basis as security for the payment of the Reimbursement Obligations and the other obligations of the County under this Agreement.

4.15 Compliance. The County is in compliance with all laws, ordinances, orders, rules regulations applicable to it, noncompliance with which could, individually or in the aggregate, reasonably be expected to have (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the County; (b) a material impairment of the ability of the County to perform its obligations hereunder or under any other Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the County of this Agreement or any other Related Document to which it is a party. All cash and other assets of the County are invested in accordance with established investment policy guidelines (a true and correct copy of which guidelines in effect as of the Effective Date are available to the public), as amended, supplemented or otherwise modified from time to time.

4.16 No ERISA Plans. The County has never established, is not a party to and has never contributed to any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement, other than a "governmental plan" within the meaning of Section 414(b) of the Code or Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended.

4.17 Tax Exempt Status of Bonds. The County has not taken any action, and knows of no action that any other Person has taken, which would cause interest on the Bonds to be includable in the gross income of the recipients thereof for Federal income tax purposes.

4.18 Use of Proceeds. No part of the proceeds made available hereunder will be used for the purpose, whether immediate, incidental, or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time), or to extend credit to others for the purpose of

purchasing or carrying any margin stock, or for any other purpose which would violate any of the regulations of said Board of Governors.

4.19 Incorporation of Representations and Warranties by Reference. The County hereby makes to the Bank the same representations and warranties as are set forth in the Related Documents (in each case, as in effect on the Effective Date), which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every representation and warranty and defined term were set forth herein in its entirety.

ARTICLE V. REPRESENTATIONS AND WARRANTIES OF BANK

The Bank represents and warrants to the County as follows:

5.01 Due Organization, Etc. The Bank is duly organized, validly existing and (to the extent applicable) in good standing under the laws of the jurisdiction under which it is organized, with all requisite organizational power to authorize, execute and deliver this Agreement and carry out its obligations hereunder.

5.02 Binding Agreement, Etc. This Agreement constitutes the valid and binding agreement of the Bank, enforceable against the Bank in accordance with its terms, except as the binding effect and the enforcement thereof may be limited by insolvency, reorganization, liquidation, receivership, conservatorship, moratorium, or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the insolvency, reorganization, liquidation, receivership or conservatorship of, or other similar occurrence with respect to, the Bank, or in the event of any moratorium or similar occurrence affecting the Bank, and the availability of equitable remedies (including without limitation the remedy of specific performance) may be limited by equitable principles of general applicability.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES OF BOND REGISTRAR

The Bond Registrar represents and warrants to the Bank as follows:

6.01 Due Organization, Etc. The Bond Registrar is duly organized, validly existing and (to the extent applicable) in good standing under the laws of the jurisdiction under which it is organized, with all requisite organizational power to authorize, execute and deliver this Agreement and carry out its obligations hereunder.

6.02 Binding Agreement, Etc. This Agreement constitutes the valid and binding agreement of the Bond Registrar, enforceable against the Bond Registrar in accordance with its terms, except as the binding effect and the enforcement thereof may be limited by insolvency, reorganization, liquidation, receivership, conservatorship, moratorium, or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the insolvency, reorganization, liquidation, receivership or conservatorship of, or other similar occurrence with respect to, the Bond Registrar, or in the event of any moratorium or similar occurrence affecting the Bond Registrar, and the availability of equitable remedies (including

without limitation the remedy of specific performance) may be limited by equitable principles of general applicability.

ARTICLE VII. CONDITIONS PRECEDENT

7.01 Conditions To Bank's Obligations Under Agreement. The obligations of the Bank under this Agreement have been undertaken in reliance upon the due performance by the County of its obligations and agreements to be performed hereunder and under the other Related Documents and the accuracy of and compliance with the representations, warranties, covenants, agreements and duties of the County contained herein, in each case on and as of the Effective Date. The obligations of the Bank hereunder are also subject to the fulfillment of the following conditions precedent on or before the Effective Date, in a manner satisfactory to the Bank:

- (a) Related Documents, Etc. The Bank shall have received (i) true and complete originals of this Agreement and the other Related Documents duly executed by each of the parties thereto, (ii) a copy of the official statement for the Bonds, (iii) a specimen bond of the Bonds and (iv) a copy of the County's investment policy;
- (b) Legal Opinion; Reliance Letter. The Bank shall have received (i) an opinion, addressed to the Bank, dated the Effective Date and in form and substance satisfactory to the Bank, of Gottlieb Fisher PLLC, bond counsel to the County, as to the due authorization, execution, delivery and enforceability of this Agreement and the Related Documents against the County, and covering such other matters as the Bank may reasonably request; and (ii) a reliance letter from Gottlieb Fisher PLLC permitting the Bank to rely upon the bond opinion of Gottlieb Fisher PLLC;
- (c) Incumbency Certificate. The Bank shall have received a certificate of the County signed by a duly authorized officer of the County, dated the Effective Date, certifying the names and true signatures of the officers of the County authorized to execute this Agreement and the other Related Documents to which the County is a party;
- (d) Bond Legislation. The Bank shall have received copies of the Bond Legislation, certified by a duly authorized officer of the County;
- (e) Bond Registrar Certificates. The Bank shall have received such certificates of resolutions or other action, incumbency certificates and/or other certificates of officers of the Bond Registrar as the Bank may reasonably request to establish the identities of and verify the authority and capacity of the officers of the Bond Registrar authorized to execute this Agreement and the other Related Documents to which the Bond Registrar is a party;
- (f) Bond Ratings. (i) The Bank shall have received confirmation from each Rating Agency that the short-term and long-term ratings of the Bonds will not be lower than those of the Bank and (ii) the County shall not have received notice that any Rating Agency has lowered its rating of the County's long-term Debt from the rating in effect on _____, 2009;
- (g) Certificate of County. The Bank shall have received a certificate of the County signed by an authorized officer of the County, stating that the representations and warranties set

forth in Article IV of this Agreement and in all other Related Documents are true and correct in all material respects as of the Effective Date;

(h) Remarketing Agreement. The Bank shall have received a certificate of the County signed by a duly authorized officer, dated the Effective Date, acknowledging that the Remarketing Agreement is in full force and effect and that the Remarketing Agent is obligated thereunder to use reasonable best efforts to remarket the Bonds (including Bank Bonds) up to and including the Maximum Bond Interest Rate;

(i) Custody Agreement. On the Effective Date, the Bank Bond Custody Agreement shall have been duly executed and delivered by each of the parties thereto and shall be in force and effect;

(j) No Default, Etc. On the Effective Date (and after giving effect to the issuance of the Bonds and the effectiveness hereof), (i) there shall exist no Event of Default, Ratings Event, Termination Event or Suspension Event, (ii) all representations and warranties made by the County herein or in any of the other Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time and (iii) each of the Related Documents to which the County is a party is in full force and effect and has not been amended, modified or changed;

(k) No Material Adverse Change. Since the date of the most recent financial statements of the County, no material adverse change shall have occurred in the status of the business, operations or conditions (financial or otherwise) of the County or its ability to perform its obligations under the Bonds, the other Related Documents or hereunder;

(l) Other Legal Matters. All other legal matters pertaining to the execution and delivery of this Agreement, the other Related Documents and the issuance of the Bonds shall be reasonably satisfactory to the Bank and its counsel;

(m) Financial Statements and Budgets. The Bank shall have received copies of the audited financial statements of the County for the fiscal years ending December 31, 2005, 2006 and 2007, the budget of the County for the current fiscal year, any financial projections for the current fiscal year and such other financial information that the Bank may reasonably request from the County.

(n) Payment of Fees. The County shall have made payment of all amounts due under Section 10.04 hereof as of the Effective Date; and

(o) Other Documents. The Bank shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement and the other Related Documents as the Bank may reasonably request.

7.02 Conditions To Purchasing Bonds. The obligation of the Bank to purchase Eligible Bonds pursuant to Section 2.01 hereof is subject to the satisfaction of the following conditions on such date:

(a) No Termination Event. No Termination Event shall have occurred;

(b) No Suspension Event. No Suspension Event shall have occurred and be continuing; and

(c) Notice of Presentation. The Bank shall have received the required Notice of Presentation with respect to such purchase provided for in Section 2.02 hereof and as provided in the Bond Legislation.

ARTICLE VIII. COVENANTS

So long as this Agreement is outstanding and until all Bank Bonds and all amounts payable hereunder shall have been paid in full, the County shall comply with the following covenants:

8.01 Notice. The County will promptly give written notice to the Bank of the occurrence of any Event of Default, Ratings Event, Termination Event or Suspension Event known to the County or any event known to the County which, upon a lapse of time or notice or both, could reasonably be expected to become an Event of Default, a Ratings Event, a Termination Event or a Suspension Event and shall provide a written statement signed by a duly authorized officer of the County setting forth the details of each such Event of Default, Ratings Event, Termination Event or Suspension Event or potential Event of Default, Ratings Event, Termination Event or Suspension Event and the action which the County proposes to take with respect thereto.

8.02 Accounting Records; Information. The County will maintain adequate books, accounts and records in order to present its financial statements as required by the laws of the State of Washington. The County shall provide to the Bank or shall make available to the public on the County's website:

(a) a copy of its annual audited Comprehensive Annual Financial Report (CAFR) prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with statements issued by Governmental Accounting Standards Board (GASB) as soon as it is available (and in no event later than 270 days after the end of each fiscal year of the County), together with a certificate of the County signed by a duly authorized officer certifying that as of the date of such certificate no Event of Default, Ratings Event, Termination Event or Suspension Event has occurred and is continuing;

(b) as soon as practicable and in any event within sixty (60) days after adoption, a copy of the annual budget of the County for each fiscal year of the County; and

(c) a copy of any supplement, amendment or modification to the Bond Legislation as soon as it is available (and in no event later than thirty (30) days after the effectiveness thereof).

8.03 Maintenance of Tax-Exempt Status. The County shall not take any action or fail to take any action that, if taken or not taken, would adversely affect the excludability of interest on the Bonds from the gross income of the holders thereof for purposes of Federal income taxation.

8.04 Access to Books and Records. To the extent permitted by law and with reasonable notice, the County will permit any person designated by the Bank to visit the offices of the County to examine the books and financial records, including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County with its principal officials, all at such reasonable times and as often as the Bank may reasonably request.

8.05 Compliance with Documents. The County will take any and all actions necessary or reasonably requested by the Bank to assure that all Bonds will be issued in compliance with the Bond Legislation. The County agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it herein and in the other Related Documents.

8.06 Security; Tax Levy. The County will take any and all actions necessary or reasonably requested by the Bank to preserve and maintain the pledge in favor of the Bank contained in Section 2.13. The County irrevocably covenants and agrees, for as long as any Bonds, any Reimbursement Obligations or any other obligations of the County under this Agreement are outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax, within and as a part of the tax levy permitted to counties without a vote of the people, upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenue and money of the County legally available for such purposes, to pay the principal of and the interest on the Bonds and to pay the Reimbursement Obligations and the other obligations of the County under this Agreement as the same shall become due.

8.07 Compliance With Laws. The County shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject; provided, however, that the County may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the County's power and authority to execute and deliver this Agreement and the other the Related Documents, to perform its obligations hereunder and thereunder and to pay all amounts payable by it hereunder and thereunder.

8.08 Amendments. The County shall not amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under, or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination, modification, or grant of a waiver under the Bond Legislation or any Bond without the prior written consent of the Bank. The County shall not amend or modify, or grant any waiver of, any material provision of the Remarketing Agreement without the prior written consent of the Bank.

8.09 Official Statement. The County shall not change any reference to the Bank or include any additional reference to the Bank in the Official Statement without the Bank's prior written consent thereto, which the Bank shall not unreasonably withhold based upon customary business practices at the time such consent is requested.

8.10 Voluntary Redemption. Without the prior written consent of the Bank, the County shall not cause the optional redemption pursuant to the Bond Legislation of any Bonds bearing interest at a variable rate (other than Bank Bonds) prior to redeeming such Bank Bonds in full; provided that if notice of redemption of Bonds has been mailed when no Bank Bonds are outstanding, such redemption of Bonds may be completed even if Bank Bonds arise after the mailing of such notice but prior to the redemption.

8.11 Certain Notices. The County will promptly give written notice to the Bank of:

(a) the existence and status of any investigation or other inquiry by the Internal Revenue Service or the Securities and Exchange Commission regarding the Bonds;

(b) any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality, entity or other agency which, if adversely determined, could reasonably be expected to have a material adverse effect on (i) the financial condition or operations of the County, (ii) the Bonds, (iii) the County's ability to pay and perform its obligations under this Agreement and the other Related Documents, (iv) the County's ability to levy or collect *ad valorem* taxes, or (v) the enforceability or validity of this Agreement or any other Related Document;

(c) any announcement by any Rating Agency of any lowering, withdrawal or suspension of the then existing rating on the Bonds or possible lowering, withdrawal or suspension of its rating on the Bonds;

(d) any material dispute which may exist between the County on the one hand and the Bond Registrar or the Remarketing Agent on the other hand or any dispute in connection with any transaction contemplated under this Agreement or any other Related Document; and

(e) the occurrence of any other event which, in the reasonable judgment of the County, could reasonably be expected to have a material adverse effect on (i) the financial condition or operations of the County, (ii) the Bonds, (iii) the County's ability to pay and perform its obligations under this Agreement and the other Related Documents, (iv) the County's ability to levy or collect *ad valorem* taxes, or (v) the enforceability or validity of this Agreement or any other Related Document.

8.12 Existence. The County shall (a) use its reasonable efforts to preserve and maintain its legal existence as a political subdivision of the State of Washington, and (b) use its best efforts to preserve and maintain its rights, franchises and privileges material to the ownership of its properties and the conduct of its business as now being and hereafter proposed to be conducted.

8.13 Liquidity. The County agrees that any Alternate Liquidity Facility will require, as a condition to the effectiveness of the Alternate Liquidity Facility, that the County or the issuer of the Alternate Liquidity Facility, as the case may be, will provide immediately available funds, on the date of such termination or provision, which funds, when taken together with funds available to the Bank under the Bond Legislation, will be sufficient to ensure the payment of all Bank Bonds then outstanding (at par plus accrued and unpaid interest thereon at the Bank Rate) and all other amounts due to the Bank hereunder, including, without limitation, payment of any

fees due hereunder and interest accrued thereon and payment of any Differential Interest Amount.

8.14 Removal and Appointment of Successors. The County shall not, without prior consultation with the Bank in good faith, remove the Bond Registrar or appoint a successor thereto; provided, however, that the removal and replacement of the Bond Registrar as the fiscal agent by the State of Washington shall not be deemed to be a violation of this Section if (a) the removal of the Bond Registrar and the appointment of a replacement fiscal agent are substantially concurrent events and (b) the replacement fiscal agent assumes the obligations of the Bond Registrar hereunder and under the Bank Bond Custody Agreement. The County shall not, without prior consultation with the Bank in good faith, remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, the County may appoint a Person that is a member of the Financial Industry Regulatory Authority with a minimum net worth of \$100,000,000 (based upon its most recently publicly filed financial statements) without the consent of the Bank. If the County desires to appoint a Person other than a Person that is a member of the Financial Industry Regulatory Authority with a minimum net worth of \$100,000,000 (based upon its most recently publicly filed financial statements) as a successor Remarketing Agent, the County must obtain the prior written consent of the Bank, which consent shall not be unreasonably withheld.

8.15 Proceeds of Bonds. The proceeds of the Bonds will be used by the County solely for the purposes described in the Bond Legislation.

8.16 ERISA. The County will not establish, become a party to or contribute to any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a "governmental plan" within the meaning of Section 414(b) of the Code and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended.

8.17 Expiration of Availability Period. If Bonds will remain outstanding on and after the last day of the Availability Period, other than Bonds converted to a Mode not requiring a liquidity facility, the County shall obtain an Alternate Liquidity Facility to become effective on or before such last day.

ARTICLE IX. TERMINATION EVENTS; EVENTS OF DEFAULT; REMEDIES

9.01 Termination Events. It shall be a Termination Event hereunder if any of the following events shall occur and be continuing:

(a) Payments. The County shall fail to pay, or cause to be paid, when due (whether by scheduled maturity, redemption or otherwise) the principal of or interest on any Bonds, or shall have declared a moratorium on the payment of, or repudiated, the principal of or interest on any Bonds; or

(b) Cross-Default. The County shall fail to pay, or cause to be paid, when due (whether by scheduled maturity, redemption or otherwise) any unlimited tax general obligation

Debt of the County of the type described in clauses (a), (b), (c) and (e) of the definition thereof or any limited tax general obligation Debt of the County of the type described in clauses (a), (b), (c) and (e) of the definition thereof that is senior to, or on a parity with, the Bonds and such failure shall continue after any applicable grace period, or the County shall have declared a moratorium on the payment of, or repudiated, any such Debt; or

(c) **Invalidity.** This Agreement or any of the Bonds, or any material provision of this Agreement, any of the Bonds or any of the Bond Legislation, in each case, relating to the payment of the principal of, and interest on, the Bonds, or the pledge in favor of the Bank contained in Section 2.13 or in the Bond Legislation at any time for any reason ceases to be valid and binding on the County in accordance with the terms of this Agreement, such Bonds or such Bond Legislation or is declared or ruled to be null and void, invalid or unenforceable by a court or other governmental agency of appropriate jurisdiction; or

(d) **Insolvency.** An Event of Insolvency shall have occurred; or

(e) **Unsatisfied Judgments.** A final and non-appealable judgment or court order for the payment of money in excess of \$10,000,000 shall be rendered against the County, and such judgment or court order shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without being vacated, discharged or satisfied; or

(f) **Rating Downgrade.** The long-term unenhanced ratings (i.e., any rating that is assigned to a Bond or any other indebtedness of the County senior to, or on a parity with, the Bonds without regard to the provision of credit enhancement such as a letter of credit, bond insurance policy or other financial guarantee) of the Bonds or any other indebtedness of the County senior to or on a parity with the Bonds shall be withdrawn or suspended for credit related reasons by Moody's, S&P and Fitch or reduced below "Baa3" by Moody's, "BBB-" by S&P and "BBB-" by Fitch, respectively.

9.02 Suspension Event. It shall be a Suspension Event hereunder if the validity or enforceability of this Agreement or any of the Bonds, or any material provision of this Agreement, any of the Bonds or any of the Bond Legislation, in each case, relating to the payment of the principal of, and interest on, the Bonds, or the pledge in favor of the Bank contained in Section 2.13 is contested in writing by an authorized officer of the County with authority to bind the County.

9.03 Events of Default. It shall be an Event of Default hereunder if any of the following events shall occur and be continuing:

(a) **Related Document Defaults.** A breach by the County of the provisions of, or an event of default by the County shall occur and be continuing under, any Related Document (other than this Agreement) and the expiration of any applicable grace period shall have occurred; or

(b) **Covenant Default.** The County shall default in the performance of any covenant or agreement contained in this Agreement and such default shall continue for thirty (30) days after written notice of such default shall have been given to the County by the Bank; or

(c) Representations Untrue. Any representation or warranty on the part of the County contained in this Agreement or in any other Related Document shall at any time prove to have been untrue in any material respect when made or when reaffirmed, as the case may be; or

(d) Payments. Nonpayment of any fees or any other amount when due to the Bank hereunder, if such failure to pay when due shall continue for ten (10) Business Days after the County has received written notice thereof from the Bank.

No default by the County under this Agreement shall relieve the Bank from its obligation to purchase Eligible Bonds pursuant to Section 2.01 of this Agreement, subject to the provisions of Sections 2.11, 7.02, 9.04(b) and 9.04(c) of this Agreement.

9.04 Remedies.

(a) Remedies Generally. In the event of any Event of Default, Ratings Event, Termination Event or Suspension Event, the Bank, so long as such Event of Default, Ratings Event, Termination Event or Suspension Event shall not have been remedied to the sole satisfaction of the Bank, shall be entitled to proceed to enforce all remedies available hereunder and under the other Related Documents (including Section 2.11 of this Agreement) and under applicable law and in equity, including, but not limited to, the right to seek mandamus.

(b) Termination Event. Upon the occurrence of a Termination Event the Available Commitment and the obligation of the Bank to purchase Eligible Bonds pursuant to this Agreement shall be immediately terminated without notice or other action on the part of the Bank and, thereafter, the Bank shall be under no further obligation to purchase Eligible Bonds hereunder.

(c) Suspension Event. Upon the occurrence of a Suspension Event the obligation of the Bank to purchase Eligible Bonds pursuant to this Agreement shall be immediately suspended without notice or other action on the part of the Bank. Upon such a suspension, the Bank shall give written notice thereof to the Bond Registrar and the County; provided, however, the failure of the Bank to give such notice shall not affect the validity of such suspension. The obligation of the Bank to purchase Eligible Bonds shall thereafter be suspended until either the Bank delivers a written notice to the Bond Registrar rescinding such suspension event or a final non-appealable order of a court having jurisdiction in the premises shall be entered declaring that the affected Related Document is upheld in its entirety or all material contested provisions of the affected Related Document relating to the payment of the principal of, and interest on, or security for the Bonds are upheld in their entirety. In the event a final non-appealable order is entered declaring the affected Related Document or any material provision of the affected Related Document relating to the payment of the principal of, and interest on, or security for the Bonds to be invalid, unenforceable or null and void, then the obligation of the Bank to purchase Eligible Bonds under this Agreement shall immediately terminate without any further action by the Bank. In the event a final non-appealable order is entered declaring that the affected Related Document is upheld in its entirety or all material provisions of the affected Related Document relating to the payment of the principal of, and interest on, or security for the Bonds are upheld in their entirety, the obligation of the Bank to purchase Eligible Bonds under this Agreement shall be automatically reinstated and the terms of this Agreement will continue in full force and effect

(unless this Agreement or the Available Commitment shall otherwise have terminated by its terms) as if there had been no such suspension. Notwithstanding the foregoing, if, upon the earlier of the last day of the Availability Period or the date which is two years after the effective date of a suspension of the Bank' obligations pursuant to this Section 9.04(c), such Suspension Event is still continuing, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall at such time terminate without notice or demand and, thereafter, the Bank shall be under no further obligation to purchase Eligible Bonds hereunder.

(d) Event of Default, Etc. Upon the occurrence and during the continuance of an Event of Default or a Ratings Event, the Bank may terminate the Available Commitment and the obligation of the Bank to purchase Eligible Bonds by giving Notice to the County and the Bond Registrar, specifying the date on which at 5:00 p.m. New York City time the Available Commitment and the obligation of the Bank to purchase Bonds shall terminate (the "Termination Date"), which shall be not less than thirty (30) days from the date of receipt of such Notice by the Bond Registrar, and after the Termination Date the Bank shall be under no further obligation to purchase Eligible Bonds hereunder other than Bonds which are the subject of a Notice of Presentation delivered by the Bond Registrar in accordance with Section 2.02 hereof and received by the Bank on or prior to the Termination Date.

ARTICLE X. MISCELLANEOUS

10.01 Amendments, Etc. Any provision of this Agreement may be amended or waived, but only if such amendment or waiver is in writing and is signed by the County and the Bank and, if the rights or duties of the Bond Registrar are affected thereby, by the Bond Registrar.

10.02 Notices Etc.

(a) Notices Generally. Except as otherwise expressly provided herein, all notices and requests to, and consents by, any party hereunder shall be in writing and shall be personally served on an officer of the receiving party or sent by United States mail, registered or certified, return receipt requested, or express mail, postage prepaid and shall be deemed to have been given upon receipt by the party notified. To the extent that any telecommunication notice is permitted hereunder, the parties hereto shall provide appropriate facsimile numbers or other telecommunication address information. For the purposes hereof, the addresses of the County, the Bond Registrar and the Bank (until notice of a change thereof is delivered as provided in this Section 10.02) shall be as specified below:

County:	King County, Washington Department of Finance ADM-FI-0611 500 Fourth Avenue Seattle, WA 98104 Attention: Nigel H. Lewis Facsimile: (206) 296-7345 Telephone: (206) 296-1168
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Bond Registrar: The Bank of New York Mellon
Global Corporate Trust, Fiscal Agencies Unit
101 Barclay Street, 7 West
New York, NY 10286
Attention: Michael C. Hieb, Vice President
Facsimile: (212) 815-3466
Telephone: (212) 815-5120

Bank: Bank of America, N.A.
WA1-501-34-03
800 Fifth Avenue, Floor 34
Seattle, WA 98104
Attention: Nancy D. Nuernberg, Senior Vice President
Facsimile: (206) 358-8818
Telephone: (206) 358-6279

(b) Electronic Communications. The parties hereto may in their discretion agree to accept notices and other communications hereunder by electronic communications pursuant to procedures approved by them; provided that approval of such procedures may be limited to particular notices or communications.

(c) Reliance By Bank. The Bank shall be entitled to rely and act upon any notices purportedly given by or on behalf of the County even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as reasonably understood by the recipient, varied from any confirmation thereof.

10.03 No Waiver; Cumulative Remedies. No failure or delay on the part of the County or the Bank or any of them in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof; the remedies herein provided are cumulative and not exclusive of any remedies provided by law. No notice to or demand on the County or any other party hereto in any case shall entitle the County or such other party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

10.04 Fees and Expenses. The County shall pay upon receipt of an invoice the amount of the Bank's legal costs, fees and expenses in connection with the preparation, execution and delivery of this Agreement and the other Related Documents. The County shall also pay (a) all reasonable out-of-pocket expenses of the Bank, including reasonable fees and expenses of counsel retained by the Bank in connection with any waiver or consent hereunder, under the Bonds or under any other Related Document or any amendment hereof or thereof and (b) if any Event of Default, Ratings Event, Termination Event or Suspension Event occurs, all reasonable out-of-pocket expenses incurred by the Bank, including reasonable fees and disbursements of counsel and experts retained by the Bank in connection with such Event of Default, Ratings

Event, Termination Event or Suspension Event and collection and other enforcement proceedings resulting therefrom.

10.05 Indemnification.

(a) To the extent permitted by law, the County agrees to indemnify and hold the Bank, and each of its officers, directors, employees and their agents, harmless from any and all claims, damages, losses, liabilities and reasonable costs and expenses which the Bank may incur by reason of or in connection with: (i) the offering, sale, remarketing or resale of the Bonds (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained in any official statement of the County for Bonds or caused by any omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading (except as to information provided in writing by the Bank for inclusion in any such official statement of the County)); (ii) the validity of this Agreement (other than a failure thereof resulting from any invalidity on the part of the Bank) or any of the Related Documents; or (iii) the execution, delivery and performance of this Agreement (other than by the Bank), or the making or the failure to make purchases of Bonds under this Agreement; provided, however, that the County shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent that such claims, damages, losses, liabilities, costs or expenses that are determined by a court of competent jurisdiction by final and nonappealable judgment to have been caused by the willful misconduct or gross negligence of the Bank. Nothing in this Section 10.05 is intended to limit any other obligation of the County contained in this Agreement or in any other Related Document.

(b) The Bank shall, promptly after the receipt of notice of the commencement of any action against the Bank in respect of which indemnification may be sought against the County pursuant to this Section 10.05, notify the County in writing of the commencement thereof. In case any such action shall be brought against the Bank, the Bank shall notify the County of the commencement thereof, the County may, or if so requested by the Bank shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to the Bank, and after notice from the County to the Bank of an election to so assume the defense thereof, the County will not be liable to the Bank under this subsection for any legal or other expenses subsequently incurred by the Bank in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the County assumes the defense of any such action at the request of the Bank, the County shall have the right to participate at its own expense in the defense of any such action. If the County shall not have employed counsel to have charge of the defense of any such action or if the Bank shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the County (in which case the County shall not have the right to direct the defense of such action on behalf of the Bank), reasonable legal and other expenses incurred by the Bank shall be borne by the County. The County shall not be liable for any settlement of any such action effected without the consent of the County, which consent shall not be unreasonably withheld, but if settled with the consent of the County or if there is a final judgment for the plaintiff in any such action, the County will indemnify and hold harmless the Bank from and against any loss or liability by reason of such settlement or judgment insofar as such settlement or judgment shall relate to any liability in respect of which the Bank is entitled to indemnity hereunder.

(c) To the extent permitted by law, the County agrees to indemnify and hold the Bank, and each of its officers, directors, employees and their agents, harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Bonds and the other Related Documents, or any amendment hereto or thereto.

(d) All amounts due under this Section shall be payable not later than thirty (30) Business Days after demand therefor.

(e) All rights and responsibilities under this Section 10.05 shall survive the termination of this Agreement and apply to claims, damages, losses, liabilities and costs and expenses incurred or claimed thereafter.

10.06 Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the County, the Bank, the Bond Registrar and their respective successors and assigns, except that (i) the County may not assign its rights or obligations hereunder or under the other Related Documents or any interest herein or therein without the prior written consent of the Bank, (ii) the Bond Registrar may assign its rights and obligations hereunder only in accordance with the terms and conditions of Section 8.14, provided, however, any corporation or association into which the Bond Registrar in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Bond Registrar in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Bond Registrar in its individual capacity may be sold or otherwise transferred, shall be the Bond Registrar under this Agreement without further act and (iii) so long as no Event of Default has occurred and is continuing, the Bank may not, except as provided in this Section 10.06, assign its rights or obligations hereunder or under any of the other Related Documents or any interest herein or therein without the prior written consent of the County.

(b) The Bank shall have the right to grant participations from time to time in this Agreement and the other Related Documents to one or more Participants; provided that the grant of any such participation shall not terminate or otherwise affect any obligation of the Bank hereunder; and provided, further, that the County shall continue to deal solely with the Bank for all purposes hereunder. Each Participant purchasing such a participation shall have all rights of the Bank hereunder to the extent of the participation purchased.

(c) The Bank may assign and pledge all or any portion of the County's obligations owing to the Bank hereunder and under the other Related Documents to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned obligations made by the County to the Bank in accordance with the terms of this Agreement shall satisfy the County's obligations hereunder and under the other Related Documents in respect of such assigned

obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

10.07 Confidentiality. The Bank agrees to maintain the confidentiality all information received from the County regarding the books and records of the County which is not available to the Bank on a nonconfidential basis prior to disclosure by the County; provided, however, that the Bank shall not be precluded from disclosing such information or the contents of such books and records (a) to its affiliates and to its and its affiliates' respective officers, directors, employees and agents (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and contents and instructed to keep such information and contents confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the County or (h) to the extent such information or the contents of such books and records (1) becomes publicly available other than as a result of a breach of this Section or (2) becomes available to the Bank or any of its affiliates on a nonconfidential basis from a source other than the County.

10.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

10.09 Severability. If any provision of this Agreement shall be held to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

10.10 Governing Law.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington without regard to choice of law rules.

(b) Jurisdiction and Venue. Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement and the other Related Documents or any document related thereto shall be brought in the courts of the State of Washington located in the County of King or of the courts of the United States of America for the Western District of Washington and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the extent permitted by law, the parties hereto hereby

irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens* which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The provisions of this Section 10.10(b) shall not limit the rights of any parties hereto to bring any such action or proceeding against the Bank in any jurisdiction where such action or proceeding is legally permissible.

(c) Service of Process. The parties hereto further irrevocably consent, to the extent permitted by law, to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such parties at their respective notice address pursuant to Section 10.02 hereof, such service to become effective thirty (30) days after such mailing.

(d) Waiver of Jury Trial. The parties hereto hereby waive to the extent permitted by applicable law, any right they may have to a trial by jury in any legal actions or proceedings arising out of, under and/or pertaining to this Agreement or any of the other Related Documents or the transactions contemplated thereby (whether based on contract, tort or other theory). Each party hereby (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have freely and voluntarily entered into this agreement to waive trial by jury and have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section.

10.11 Complete Statement of Agreement. This Agreement, together with the documents referred to in this Agreement, is the complete and exclusive statement of the terms of the agreement among the parties hereto.

10.12 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

10.13 Liability of the Bank. The County agrees that none of the Bank or its officers, directors, employees and agents shall have any liability or responsibility for the acts or omissions of either the Bond Registrar or the Remarketing Agent in respect of their use of this Agreement or any amounts made available by the Bank hereunder. The Bank and its officers, directors, employees and agents shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Bond Registrar which results in the failure of the Bond Registrar to effect the purchase of Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 hereof or to comply with the applicable provisions of the Bond Legislation. None of the Bank and its officers or directors shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Bond Registrar or the Remarketing Agent in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respect invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, other than the Bank's gross negligence or

willful failure to purchase Bonds when required under the terms and conditions of this Agreement.

10.14 Obligations Absolute. The obligations of the County under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of all or any of the Related Documents;
- (b) any amendment or waiver of or any consent to or departure from all or any of the Related Documents;
- (c) any exchange, release or non-perfection of any collateral or lien or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (d) the existence of any claim, set-off, defense, or other right which the County may have at any time against the Bond Registrar, the Remarketing Agent or the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions; or
- (e) any certificate, notice or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever.

10.15 USA Patriot Act Notice. The Bank hereby notifies the County that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the County, which information includes the name and address of the County and other information that will allow the Bank to identify the County in accordance with the Act.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by a duly authorized officer, and the Bond Registrar and the Bank have caused this Agreement to be signed in their respective names by one or more officers, all as of the day and year first above written.

KING COUNTY, WASHINGTON

By: _____
Name: Ken Guy
Title: Director, Finance and Business
Operations Division, King County
Department of Executive Services

**THE BANK OF NEW YORK MELLON, as
Bond Registrar**

By: _____
Name: Michael C. Hieb
Title: Vice President

BANK OF AMERICA, N.A.

By: _____
Name: Nancy D. Nuernberg
Title: Senior Vice President

EXHIBIT A

FORM OF NOTICE OF PRESENTATION

\$50,000,000
King County, Washington
Multi-Modal Limited Tax General Obligation Bonds
Series 2009 A

Bank of America, N.A.
WA1-501-34-03
800 Fifth Avenue, Floor 34
Seattle, WA 98104

Ladies and Gentlemen:

Pursuant to the Standby Bond Purchase Agreement, dated as of February 26, 2009 (the "Agreement"), among King County, Washington, a political subdivision of the State of Washington (the "County"), The Bank of New York Mellon, a New York State chartered bank (the "Bond Registrar"), and Bank of America, N.A., a national banking association (the "Bank"), you are hereby given notice that you will be required, pursuant to Section 2.01 of the Agreement, to purchase on the date hereof, the Purchase Date, the Bonds or portions thereof identified below having the principal amounts and accrued interest thereon at either a Daily Mode, a Weekly Mode or a Flexible Mode in the respective amounts set forth below:

<u>Principal Amount (1)</u>	<u>Accrued Interest (2)</u>	<u>Purchase Price ((1)+(2))</u>
\$	\$	\$

The purchase of the Bonds or portions thereof by you is subject (among other things) to delivery of this Notice of Presentation (the "Notice") to you. Any capitalized term not herein defined shall have the meaning assigned thereto in the Agreement.

In connection with the presentation of this Notice, the undersigned, as Bond Registrar, hereby certifies that (i) this Notice is being delivered to you at your Presentation Office during the Availability Period and (ii) the undersigned has not received notice from the Bank that the Agreement has been terminated.

Payments made in respect of the purchase of Bonds in accordance with this Notice shall be made by wire transfer of immediately available funds to the account of the undersigned at _____.

Promptly following the purchase of Bonds by you pursuant to this Notice, the undersigned will [*register*] [*hold*] Bonds in an aggregate principal amount equal to the principal amount set forth above in accordance with Section 2.02(c) of the Agreement].

IN WITNESS WHEREOF, this Notice has been executed this _____ day of _____,
_____.

THE BANK OF NEW YORK MELLON, as
Bond Registrar

By _____
Authorized Officer

EXHIBIT B

FORM OF BANK BOND CUSTODY AGREEMENT

This BANK BOND CUSTODY AGREEMENT ("Agreement") is entered into as of February 26, 2009, by and between THE BANK OF NEW YORK MELLON, a New York State chartered bank, in its capacity as custodian (the "Custodian") and BANK OF AMERICA, N.A., a national banking association (the "Bank").

RECITALS

A. King County, Washington, a political subdivision of the State of Washington (the "County"), The Bank of New York Mellon, a New York State chartered bank, in its capacity as bond registrar (the "Bond Registrar"), and Bank have entered into a certain Standby Bond Purchase Agreement dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement") pursuant to which the Bank has agreed to purchase in certain circumstances the County's Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds").

B. The Bonds were issued pursuant to Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285, Ordinance 15604 and Ordinance 16361 of the County, and Motion _____ of the County Council (collectively, the "Bond Legislation").

C. The Bond Legislation requires that the Bonds delivered by the holders thereof to the Bond Registrar pursuant to the Bond Legislation shall be purchased under certain circumstances by the Bank under the Purchase Agreement.

D. It is a condition to the effectiveness of the obligations of the Bank under the Purchase Agreement that the Custodian shall have entered into this Agreement.

E. The Custodian has agreed to act as custodian and agent for the Bank as herein provided.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Custodian and the Bank hereby agree as follows:

1. Defined Terms. All capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Purchase Agreement.

2. Appointment and Acceptance. The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Bank Bonds under the Purchase Agreement and holding such Bank Bonds for and on behalf of the Bank. Bank Bonds shall be held and registered as provided in Section 2.02 of the Purchase Agreement. The Custodian hereby agrees to hold the Bank Bonds for such purpose, as the Bank's agent and bailee. As used herein, the term "Bank Bonds" means, unless the context otherwise requires, the beneficial ownership of Bank Bonds during any period that the book entry system with DTC or any other securities depository is used with respect to the registration and transfer of the Bank Bonds.

3. **No Disposition, Etc.** Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of Bank Bonds held by or registered in the name of the Custodian on behalf of the Bank to any Person or in any manner not in accordance with this Agreement and shall not enter into any other agreement, other than this Agreement, regarding possession of the Bank Bonds without the prior written consent of the Bank. The Custodian will not release Bank Bonds to the purchaser of such Bank Bonds unless the Bank has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that a portion of the Available Principal Commitment in an amount equal to the principal amount of such Bank Bonds has been reinstated.

4. **Termination.** Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Bank Bonds then held by the Custodian on behalf of the Bank pursuant to this Agreement, the Custodian shall have the right to terminate its obligations with respect to such Bank Bonds under this Agreement. The Bank shall have the option to terminate this Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Bank or its designee any Bank Bonds then held by the Custodian hereunder. The Bank may also from time to time request that the Custodian release and deliver to the Bank all or a portion of the Bank Bonds then held by the Custodian on behalf of the Bank without termination of this Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Bank Bonds to the Bank or its designee then held by the Custodian.

5. **Information Regarding Bank Bonds.** The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Bank Bonds.

6. **Standard of Care.** In acting under this Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.

7. **Exculpatory Provisions.** The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Bank or any other Person, except to the extent the Bank incurs any loss or liability due to the Custodian's gross negligence or willful misconduct. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised of such loss or damage and regardless of the form of action. The Custodian may consult with counsel and shall be fully protected in any action taken, suffered or omitted in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

8. **Resignation.** The Custodian may resign at any time by giving written notice thereof to the Bank. In the event that the Custodian is removed and replaced as the fiscal agent by the State of Washington, the Custodian shall resign upon the written request of the Bank. No such resignation shall become effective until a successor Custodian shall have been appointed by

the Bank and such successor shall have accepted such appointment in writing. The resigning Custodian may, at the reasonable expense of the County, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.

9. Notices. Except as otherwise expressly provided herein, all notices and requests to, and consents by, any party hereunder shall be in writing and shall be personally served on an officer of the receiving party or sent by United States mail, registered or certified, return receipt requested, or express mail, postage prepaid and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the addresses of the Bank and the Custodian (until notice of a change thereof is delivered as provided in this Section 9) shall be as specified below:

Bank: Bank of America, N.A.
WA1-501-34-03
800 Fifth Avenue, Floor 34
Seattle, WA 98104
Attention: Nancy D. Nuerenberg, Senior Vice President
Facsimile: (206) 358-8818
Telephone: (206) 358-6279

Custodian: The Bank of New York Mellon
Global Corporate Trust, Fiscal Agencies Unit
101 Barclay Street, 7 West
New York, NY 10286
Attention: Michael C. Hieb, Vice President
Facsimile: (212) 815-3466
Telephone: (212) 815-5120

10. Payment of Expenses. By countersigning this Agreement, the County acknowledges and agrees that the transactions contemplated by this Agreement are for the benefit of the County and the County agrees to pay or cause to be paid all reasonable out-of-pocket fees, costs, disbursements, taxes and expenses (including, without limitation, the reasonable attorney's fees and expenses) incurred by the Custodian in connection with the performance by the Custodian of its obligations hereunder.

11. Further Assurances. The Custodian and by countersigning this Agreement, the County, each agree that at any time upon the written request of the Bank and at the expense of the County, such party will execute and deliver or cause to be executed and delivered any and all such further documents and do any and all such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

12. Waivers, Amendments. The terms of this Agreement cannot be waived, amended or modified except in a writing signed by the Bank and the Custodian and countersigned by the County.

13. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Custodian, the Bank and the County, and their respective successors and

assigns except that (a) the County may not assign its rights or obligations hereunder without the prior written consent of the Bank, (b) the Custodian may assign its rights and obligations hereunder only in connection with an assignment of its rights and obligations under the Purchase Agreement in accordance with the terms and conditions of Section 10.06 of the Purchase Agreement or as permitted under Section 8 of this Agreement, provided, however, any corporation or association into which the Custodian in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Custodian in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Custodian in its individual capacity may be sold or otherwise transferred, shall be the Custodian under this Agreement without further act and (c) the Bank may assign its rights and obligations hereunder only in connection with an assignment of its rights and obligations under the Purchase Agreement in accordance with the terms and conditions of Section 10.06 of the Purchase Agreement.

14. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable in any jurisdiction, such circumstance shall not have the effect of rendering the provision in question invalid or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Agreement invalid or unenforceable to any extent whatever.

15. Governing Law. This is the Bank Bond Custody Agreement referred to in the Purchase Agreement, and shall be governed by and construed in accordance with the laws of the State of Washington without regard to choice of law rules.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Custodian and the Bank have caused this Agreement to be signed in their respective names by one or more officers, all as of the day and year first above written.

THE BANK OF NEW YORK MELLON, as
Custodian

By: _____
Name: Michael C. Hieb
Title: Vice President

BANK OF AMERICA, N.A.

By: _____
Name: Nancy D. Nuereberg
Title: Senior Vice President

ACCEPTED AND AGREED TO:

KING COUNTY, WASHINGTON

By: _____
Name: Ken Guy
Title: Director, Finance and Business
Operations Division, King County
Department of Executive Services

VARIABLE RATE BOND AGREEMENT

This VARIABLE RATE BOND AGREEMENT, dated February 26, 2009, is made by and between King County, Washington (the "County") and The Bank of New York Mellon, as registrar, authenticating agent, paying agent, transfer agent and tender agent for the County's hereinafter identified Bonds (the "Bond Registrar").

RECITALS:

WHEREAS, the County has authorized issuance of \$50,000,000 aggregate principal amount of its Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds"), pursuant to County Ordinance 14167, as amended by County Ordinance 14463, County Ordinance 14745, County Ordinance 14992, County Ordinance 15285, County Ordinance 15604 and County Ordinance 16361 (collectively, the "Ordinance"); and

WHEREAS, at the request of the rating agencies rating the Bonds, the County wishes to clarify requirements of the Ordinance with respect to certain duties of the Bond Registrar;

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained, the County and the Bond Registrar agree as follows:

Section 1. Definitions. Unless otherwise defined in this Agreement, all capitalized terms used herein shall have the meanings given such terms in the Ordinance.

Section 2. Liquidity Provider Bonds.

(a) Pursuant to Section 4.J.13(b) of the Ordinance, Bonds purchased by the Bond Registrar with proceeds of a Draw on the Liquidity Facility shall be registered in the name of the Liquidity Provider or its nominee (which may be the Securities Depository).

The Bond Registrar agrees to transfer the registration of Liquidity Provider Bonds upon a remarketing pursuant to Section 4.J.11(a)(iii)(B) only if the Bond Registrar has received written notice from the Liquidity Provider that the Liquidity Facility has been reinstated to the Available Amount.

(b) The Bond Registrar agrees not to make a Draw under the Liquidity Facility with respect to any Liquidity Provider Bond.

Section 3. Prior Lien of Bonds. The Bonds shall have a prior lien against all funds held by the Bond Registrar for the payment of the principal thereof, the interest thereon, the redemption price thereof upon redemption and the purchase price thereof upon tender.

Section 4. No Additional Security or Indemnity. No additional security or indemnity shall be required to be paid or provided by the County to the Bond Registrar prior to the Bond Registrar's exercise of its duties to make Draws under any Liquidity Facility, to give notices of

redemptions and mandatory tenders, and to make payment on the Bonds when due to the extent of funds available therefor.

Section 5. Defeasance of Bonds in Short-Term Mode or Term Mode. The County agrees that no defeasance of Bonds then in a Short-Term Mode or a Term Rate Mode shall be made pursuant to the Ordinance unless either:

(a) The County shall have received written notice from each Rating Agency then maintaining a rating on the Bonds to the effect that the rating then in effect with respect to such Bonds will not be withdrawn, reduced or suspended as a result of the proposed defeasance; or

(b) Money and/or Government Obligations maturing at such time(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments that shall be sufficient to provide for the payment of the principal of, premium, if any, and interest (if the rate of interest is not fixed, at the Maximum Rate) on all or a designated portion of the Bonds on the earliest to occur of (1) their maturity date, (2) the first possible redemption date, or (3) the first possible date on which such Bonds must be tendered for purchase are set aside in a special account of the County to effect such payment and are irrevocably set aside and pledged for such purpose.

Section 6. Notices to Rating Agencies. Upon any extension, expiration, suspension or termination of the Liquidity Facility or the obtaining by the County of an Alternate Liquidity Facility, the Bond Registrar shall give notice thereof to each Rating Agency. To the extent that the Bond Registrar has received notice of the following events, the Bond Registrar shall also notify each Rating Agency of: (a) the conversion of Bonds from any Mode to any other Mode, (b) any amendments or modifications of the Ordinance, the Liquidity Facility or the Remarketing Agreement, (c) the appointment of a new Remarketing Agent or Bond Registrar, or (d) any redemption or defeasance of the Bonds.

Any notice required to be given to any Rating Agency hereunder shall be given by mail, first class postage prepaid, to its address set forth below, or at such other address as may be provided to the Bond Registrar in writing from time to time, namely:

Moody's Investors Service, Inc.
7 World Trade Center, 23rd Floor
250 Greenwich Street
Attention: Municipal Structured Products Group

Standard & Poor's Ratings Services,
a Division of the McGraw Hill Companies
55 Water Street
New York, New York 10041
Attention: Municipal Structured Surveillance

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 7. Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Washington.

Section 8. Counterparts. This Agreement may be executed in any number of copies and by the parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument, and all of which shall constitute but one and the same instrument. Complete counterparts of this Agreement shall be lodged with the County and the Bond Registrar.

Section 9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

KING COUNTY, WASHINGTON

By: _____
Ken Guy, Director of Finance and
Business Operations Division

THE BANK OF NEW YORK MELLON,
as Bond Registrar

By: _____
Its: _____