



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**December 15, 2009**

**Ordinance 16721**

**Proposed No. 2009-0632.2**

**Sponsors Gossett and Phillips**

1           AN ORDINANCE authorizing the issuance and sale of  
2           multi-modal limited tax general obligation bonds (payable  
3           from sewer revenue) in the principal amount of not to  
4           exceed \$50,000,000 to finance capital improvements to the  
5           county's sewer system; providing the covenants and  
6           conditions under which the bonds will be issued, including  
7           options for liquidity support and credit enhancement for the  
8           bonds; authorizing the form, terms, maturity and method of  
9           determining interest rates of the bonds; appointing a  
10          remarketing agent; and providing for the sale of the bonds  
11          to Goldman, Sachs & Co.

12          PREAMBLE:

13          The county owns and operates facilities for the conveyance and treatment  
14          of sewage and control of combined sewer overflows that include, but are  
15          not limited to, wastewater treatment plants, interceptor and trunk sewers,  
16          pumping stations, regulator stations, outfall sewers, storm sewers to divert  
17          stormwater from sanitary sewers, lands for application of biosolids,  
18          property rights, and buildings and other structures (collectively the "Sewer  
19          System" or the "System"), all in accordance with a comprehensive plan for

20 metropolitan water pollution abatement under the authority of chapters  
 21 36.56 and 35.58 of the Revised Code of Washington ("RCW").  
 22 Long term service agreements with participating municipalities (the  
 23 "Participants") obligate the county to treat and dispose of sewage collected  
 24 by the Participants. The Participants must pay the costs of such services  
 25 including debt service on bonds payable from sewer revenues.  
 26 Comparable rates and charges have been established for customers who  
 27 deliver sewage to the System but are not subject to a contract with the  
 28 county for such service.  
 29 In accordance with RCW 35.58.200(3), the county has declared that the  
 30 health, safety and welfare of people within the metropolitan area require  
 31 that certain Participants discharge sewage collected by such Participants  
 32 into facilities of the System.  
 33 The county has issued the following sewer revenue bonds with a senior  
 34 lien on revenues of the Sewer System (the "Parity Bonds"):

<b>Series</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Original</b>	<b>Outstanding</b>
<b>Designation</b>			<b>Principal</b>	<b>Principal</b>
				<b>(9/1/2009)</b>
2001 Bonds	14225	11/28/2001	\$ 270,060,000	\$ 223,375,000
2002A Bonds	14406	8/14/2002	100,000,000	94,960,000
2002B Bonds	14406	10/03/2002	346,130,000	249,350,000
2003A Bonds	14406	4/24/2003	96,470,000	91,625,000

2004A Bonds	14753	3/18/2004	185,000,000	185,000,000
2004B Bonds	14753	3/18/2004	61,760,000	58,900,000
2006 Bonds	15385	5/16/2006	124,070,000	124,070,000
2006 (2nd) Bonds	15385	11/30/2006	193,435,000	190,085,000
2007 Bonds	15758	6/26/2007	250,000,000	250,000,000
2008 Bonds	16133	8/14/2008	350,000,000	350,000,000
2009 Bonds	16133	8/12/2009	250,000,000	250,000,000

35 The county has issued the following limited tax general obligation bonds  
 36 additionally secured by a lien on revenues of the Sewer System junior and  
 37 subordinate to the lien thereon of the Parity Bonds (the "Parity Lien  
 38 Obligations"):

<b>Series</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Original</b>	<b>Outstanding</b>
<b>Designation</b>			<b>Principal</b>	<b>Principal</b>
				<b>(9/1/2009)</b>
Series 2005	15033	4/21/2005	\$ 200,000,000	\$ 200,000,000
Series 2008	15779	2/12/2008	236,950,000	233,045,000
Series 2009	16133	4/18/2009	300,000,000	300,000,000

39 The county has issued the following sewer revenue bonds with a lien on  
 40 revenues of the Sewer System junior and subordinate to the lien thereon of  
 41 the Parity Bonds and the Parity Lien Obligations (the "Junior Lien  
 42 Obligations"):

**Series**

**Designation**

**Ordinance**

**Date of Issue**

**Original Principal**

**Outstanding Principal**

**(9/1/2009)**

Series 2001A	14171	4/15/2001	\$ 50,000,000	\$ 50,000,000
Series 2001B	14172	4/15/2001	50,000,000	50,000,000

43           The county has issued its Sewer Revenue Anticipation Notes, Commercial  
44           Paper Series A, in the aggregate principal amount of not to exceed  
45           \$100,000,000 at any time outstanding (the "Commercial Paper Notes"),  
46           with a lien on revenues of the Sewer System junior and subordinate to the  
47           lien thereon of the Parity Bonds, the Parity Lien Obligations, and the  
48           Junior Lien Obligations, pursuant to Ordinance 12057, as amended by  
49           Ordinance 14173.

50           The ordinances authorizing the issuance of the Parity Bonds, the Parity  
51           Lien Obligations, the Junior Lien Obligations and the Commercial Paper  
52           Notes permit the county to issue additional sewer revenue bonds with a  
53           lien on revenues of the Sewer System junior to the lien thereon of the  
54           Junior Lien Obligations and superior to the lien thereon of the Commercial  
55           Paper Notes. This ordinance authorizes the issuance of a series of such  
56           bonds in the principal amount of not to exceed \$50,000,000 (the "Bonds")  
57           to be sold by negotiated sale to Goldman, Sachs & Co., subject to final

58 approval of a bond purchase contract by the county's finance director.

59 This ordinance further authorizes the form, terms, maturity, method of  
60 determining interest rates and options for liquidity support and credit  
61 enhancement for the Bonds.

62 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

63 **ARTICLE I**

64 **DEFINITIONS AND INTERPRETATION**

65 **SECTION 1.1. Certain Definitions.** As used in this ordinance, the following  
66 terms and phrases have the meanings set forth in this Section unless the context clearly  
67 indicates that another meaning is intended (singular definitions include the plural thereof  
68 and vice versa):

69 **"Account"** means each Remarketing Proceeds Account, County Purchase  
70 Account and Liquidity Facility Purchase Account established within the Purchase Fund.

71 **"Accreted Value"** means with respect to any Capital Appreciation Bonds, as of  
72 any date of calculation, the sum of the amounts set forth in the ordinance, resolution or  
73 motion authorizing such bonds as the amounts representing the initial principal amount of  
74 such bonds plus the interest accumulated, compounded and unpaid thereon as of the most  
75 recent compounding date, as provided in the ordinance, resolution or motion authorizing  
76 the issuance of such bonds; provided that if such calculation is not made as of a  
77 compounding date, such amount will be determined by straight-line interpolation as of  
78 the immediately preceding and the immediately succeeding compounding dates.

79 **"Agency Customer"** means any city, town, water-sewer district or other political  
80 subdivision, person, firm or private corporation that collects sewage from customers and

81 disposes of any portion of that sewage into the Metropolitan Sewerage System and is not  
82 a Participant.

83       **"Alternate Credit Enhancement"** or **"Alternate Liquidity Facility"** means a  
84 letter of credit, insurance policy, line of credit, surety bond, standby purchase agreement  
85 or other security or liquidity instrument, as the case may be, issued in accordance with  
86 the terms hereof as a replacement or substitute for any Credit Enhancement or Liquidity  
87 Facility, as applicable, then in effect.

88       **"Alternate Rate"** means, on any Rate Determination Date, for any Interest Rate  
89 Mode, a rate per annum equal to 110% of (a) the SIFMA Municipal Swap Index most  
90 recently available as of the date of determination, or (b) if such index is no longer  
91 available, or if the SIFMA Municipal Swap Index is no longer published, the S&P  
92 Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA  
93 Municipal Swap Index nor the S&P Weekly High Grade Index is published, the index  
94 determined to equal the prevailing rate determined by the Remarketing Agent for tax-  
95 exempt state and local government bonds meeting criteria determined in good faith by the  
96 Remarketing Agent to be comparable under the circumstances to the criteria used by the  
97 Securities Industry and Financial Markets Association to determine the SIFMA  
98 Municipal Swap Index just prior to when the Securities and Financial Markets  
99 Association stopped publishing the SIFMA Municipal Swap Index. The Registrar will  
100 make the determinations required by this definition, upon notification from the county, if  
101 there is no Remarketing Agent, if the Remarketing Agent fails to make any such  
102 determination or if the Remarketing Agent has suspended its remarketing efforts in  
103 accordance with the Remarketing Agreement; provided, however, that if neither the

104 SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is available, the  
105 county will designate in writing the index for the Registrar to use.

106 **"Annual Debt Service"** means, for designated obligations of the System, with  
107 respect to any calendar year, the sum of the following:

108 (1) The interest on such designated obligations due (i) on all interest payment  
109 dates (other than January 1) in such calendar year, and (ii) on January 1 of the next  
110 succeeding calendar year, plus any Payment Agreement Payments due on such dates in  
111 respect of Payment Agreements for such obligations and minus any Payment Agreement  
112 Receipts due in such period in respect of Payment Agreements for such obligations.

113 (i) For purposes of calculating the amounts required to pay interest on such  
114 designated obligations, capitalized interest, accrued interest paid to the county upon the  
115 issuance of such obligations, and Debt Service Offsets pledged to the payment of such  
116 designated obligations will be excluded.

117 (ii) The amount of interest deemed payable on any such obligations bearing  
118 interest at a variable rate will be calculated on the assumption that the interest rate on  
119 such obligations would be equal to the rate (the "assumed RBI rate") that is 90% of the  
120 average Bond Buyer Revenue Bond Index or comparable index during the fiscal quarter  
121 preceding the quarter in which the calculation is made; provided, however, that for  
122 purposes of determining actual compliance in any past calendar year with the rate  
123 covenants made in Section 5.1 of this ordinance, the actual amount of interest paid on any  
124 issue of variable rate obligations will be taken into account.

125 (2) The principal due (at maturity or upon the mandatory redemption of Term  
126 Bonds prior to their maturity) for such designated obligations (i) on all principal payment

127 dates (other than January 1) of such calendar year and (ii) on January 1 of the next  
128 succeeding calendar year.

129 (3) An amount for assumed payments of principal of any of such designated  
130 obligations that are Balloon Maturity Bonds calculated for the applicable calendar year  
131 by amortizing the then outstanding principal amount of such obligations in accordance  
132 with a maturity schedule not exceeding 30 years from the date of issuance of such  
133 Balloon Maturity Bonds and resulting in approximately level debt service based on their  
134 actual interest rates (if such obligations bear interest at fixed rates) or on the assumed  
135 interest rate calculated as provided in Paragraph (1)(ii) of this definition (if such  
136 obligations bear interest at a variable rate).

137 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or  
138 upon the mandatory redemption of Term Bonds that are Capital Appreciation Bonds must  
139 be included in the calculation of Annual Debt Service, and references in this ordinance to  
140 principal of Parity Bonds include the Accreted Value due at maturity or upon the  
141 mandatory redemption of any Capital Appreciation Bonds.

142 Notwithstanding the foregoing, debt service on bonds with respect to which a  
143 Payment Agreement is in force will be calculated by the county to reflect the net  
144 economic effect of the terms of the bonds and the applicable Payment Agreement, in  
145 accordance with the requirements set forth in the ordinances applicable to such bonds.

146 **"Authorized Denominations"** means (i) with respect to Bonds in a Daily Mode  
147 or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof, (ii)  
148 with respect to Bonds in a Flexible Mode, \$100,000 and any integral multiple of \$1,000  
149 in excess thereof, and (iii) with respect to Bonds in a Long-Term Mode, \$5,000 and any



150 integral multiple thereof.

151           **"Automatic Termination Event"** means an event of default set forth in a  
152 Reimbursement Agreement between the county and the Liquidity Provider that would  
153 result in the immediate termination or suspension of the Liquidity Facility prior to its  
154 stated expiration date without prior notice from the Liquidity Provider to the Tender  
155 Agent.

156           **"Available Amount"** means the amount available under any Credit Enhancement  
157 or Liquidity Facility, as applicable, to pay the principal of and interest on the Bonds or  
158 the Purchase Price of the Bonds, as applicable.

159           **"Balloon Maturity Bonds"** means any obligations of the System, other than  
160 Term Bonds, the entire principal amount of which is due at maturity without serial bond  
161 payments or sinking fund redemption payments, including the Bonds.

162           **"Bank Note"** means the bank note authorized to be issued by Ordinance 12057  
163 of the county, as amended, to secure payment of the Commercial Paper Notes.

164           **"Beneficial Owner"** means, so long as the Bonds are held in the Book-Entry  
165 System, any Person who acquires a beneficial ownership interest in a Bond held by the  
166 Securities Depository. If at any time the Bonds are not held in the Book-Entry System,  
167 Beneficial Owner means Owner for purposes of this ordinance.

168           **"Bond Counsel"** means any firm of nationally recognized municipal bond  
169 attorneys selected by the county and experienced in the issuance of municipal bonds and  
170 matters relating to the exclusion of the interest thereon from gross income for Federal  
171 income tax purposes.

172           **"Bond Register"** means the registration books maintained by the Registrar for

173 purposes of identifying ownership of the Bonds.

174           **"Bondowners' Trustee"** means the bank or financial institution selected by the  
175 Owners of the Bonds pursuant to Section 6.2 of this ordinance.

176           **"Bonds"** means the King County, Washington, Multi-Modal Limited Tax  
177 General Obligation Bonds (Payable from Sewer Revenue), Series 2010A, authorized to  
178 be issued in the aggregate principal amount of not to exceed \$50,000,000 pursuant to  
179 Section 2.1 of this ordinance.

180           **"Book-Entry System"** means the fully immobilized system maintained by the  
181 Securities Depository described in Article II of this ordinance.

182           **"Business Day"** means any business day other than (i) a Saturday or Sunday or  
183 (ii) a day on which the Registrar, Paying Agent, Tender Agent, or the Remarketing  
184 Agent, if any, are required or authorized to be closed or (iii) a day on which the office of  
185 the Credit Provider or Liquidity Provider at which it will pay draws or advances are  
186 required or authorized to be closed, or (iv) a day on which The New York Stock  
187 Exchange is closed.

188           **"Capital Appreciation Bonds"** means any Parity Bonds the interest on which is  
189 compounded, accumulated and payable only upon redemption or on the maturity date of  
190 such Parity Bonds; provided, however, that Parity Bonds may be deemed to be Capital  
191 Appreciation Bonds for only a portion of their term pursuant to the ordinance, resolution  
192 or motion authorizing their issuance. On the date on which Parity Bonds no longer are  
193 Capital Appreciation Bonds, they will be deemed outstanding in a principal amount equal  
194 to their Accreted Value.

195           **"Certified Public Accountant"** means an independent certified public

196 accountant (or firm of certified public accountants) selected by the county and having a  
197 favorable national reputation.

198       **"Closing Date"** means the date of delivery of the Bonds to the Underwriter  
199 against payment therefor.

200       **"Code"** means the Internal Revenue Code of 1986, as amended, together with  
201 corresponding and applicable final, temporary or proposed regulations and revenue  
202 rulings issued or amended with respect thereto by the United States Treasury Department  
203 or the Internal Revenue Service, to the extent applicable to the Bonds.

204       **"Commercial Paper Notes"** means the King County, Washington, Sewer  
205 Revenue Bond Anticipation Notes, Commercial Paper Series A, authorized, issued, and  
206 outstanding from time to time pursuant to Ordinance 12057 of the county passed on  
207 December 11, 1995, as amended by Ordinance 14173 of the county passed on July 16,  
208 2001.

209       **"Comprehensive Plan"** means the county's comprehensive water pollution  
210 abatement plan authorized by RCW 35.58.200 and defined in King County Code  
211 ("K.C.C.") 28.82.150 as the Comprehensive Sewage Disposal Plan adopted by  
212 Resolution No. 23 of the Metro Council on April 22, 1959, and all amendments thereto,  
213 together with any amendments hereafter approved by ordinance of the county.

214       **"Conversion Date"** means with respect to Bonds in a particular Interest Rate  
215 Mode, the day on which another Interest Rate Mode for such Bonds begins.

216       **"Conversion Notice"** means the notice from the county to the other Notice  
217 Parties of the county's intention to change the Interest Rate Mode with respect to the  
218 Bonds.

219           **"County Bonds"** means Bonds held by the Registrar for and on behalf of the  
220 county or any nominee for (or any Person who owns such Bonds for the sole benefit of)  
221 the county pursuant to Section 3.14(c) of this ordinance.

222           **"County Purchase Account"** means each account with that name established  
223 within the Bond Purchase Fund pursuant to Section 3.14 of this ordinance.

224           **"Credit Enhancement"** means any letter of credit, insurance policy, surety bond,  
225 line of credit or other instrument, if any, then in effect that secures or guarantees the  
226 payment of principal of and interest on the Bonds.

227           **"Credit Provider"** means any bank, insurance company, pension fund or other  
228 financial institution that provides a Credit Enhancement or Alternate Credit Enhancement  
229 for the Bonds.

230           **"Current Mode"** has the meaning specified in Section 2.10(a)(i) of this  
231 ordinance.

232           **"Daily Mode"** means the Interest Rate Mode during which the Bonds bear  
233 interest at the Daily Rate.

234           **"Daily Rate"** means the per annum interest rate on any Bond in the Daily Mode  
235 determined pursuant to Section 2.6(a) of this ordinance.

236           **"Daily Rate Period"** means the period during which a Bond in the Daily Mode  
237 bears interest at a Daily Rate, which will be from the Business Day upon which a Daily  
238 Rate is set to but not including the next succeeding Business Day.

239           **"Debt Service Offset"** means receipts of the county that are (i) legally available  
240 to pay debt service on obligations payable from Revenue of the System, including  
241 without limitation federal interest subsidy payments, and (ii) pledged to the payment of

242 obligations payable from Revenue of the System.

243           **"Default"** means any of the events or conditions set forth in Section 6.1 of this  
244 ordinance.

245           **"Delayed Remarketing Period"** has the meaning specified in Section 3.15(b) of  
246 this ordinance.

247           **"DTC"** means The Depository Trust Company, a limited purpose trust company  
248 organized under the laws of the State of New York, as initial Securities Depository for  
249 the Bonds, and any successor thereto.

250           **"DTC Participants"** means those broker-dealers, banks and other financial  
251 institutions for which DTC holds Bonds as securities depository.

252           **"Electronic Means"** means telecopy, facsimile transmission, e-mail transmission  
253 or other similar electronic means of communication providing evidence of transmission.

254           **"Expiration Date"** means the stated expiration date of the Credit Enhancement  
255 or the Liquidity Facility, as it may be extended from time to time as provided in the  
256 Credit Enhancement or the Liquidity Facility or Reimbursement Agreement, as  
257 applicable, or any earlier date on which the Credit Enhancement or the Liquidity Facility  
258 will terminate at the direction of the county, expire or be cancelled.

259           **"Favorable Opinion of Bond Counsel"** means, with respect to any action the  
260 occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which  
261 must be a Bond Counsel, to the effect that such action is permitted under this ordinance  
262 and will not adversely affect the exclusion of interest on the Bonds from gross income for  
263 purposes of Federal income taxation (subject to the inclusion of any exceptions contained  
264 in the opinion delivered upon original issuance of the Bonds).

265           **"Finance Director"** means the director of the finance and business operations  
266 division of the county or his or her designee, or the successor to the duties of such office.

267           **"Fiscal Agency Agreement"** means the agreement of that name dated February  
268 1, 2007, as amended, between the State of Washington and The Bank of New York (now  
269 known as The Bank of New York Mellon), and any amendments and supplements thereto  
270 and replacements thereof.

271           **"Fixed Rate"** means the per annum interest rate on any Bond in the Fixed Rate  
272 Mode determined pursuant to Section 2.7(b) of this ordinance.

273           **"Fixed Rate Bond"** means a Bond in the Fixed Rate Mode.

274           **"Fixed Rate Mode"** means the Interest Rate Mode during which the Bonds bear  
275 interest at the Fixed Rate.

276           **"Fixed Rate Period"** means for the Bonds in the Fixed Rate Mode, the period  
277 from the Conversion Date upon which the Bonds were converted to the Fixed Rate Mode  
278 to but not including the Maturity Date for the Bonds.

279           **"Flexible Mode"** means the Interest Rate Mode during which the Bonds bear  
280 interest at the Flexible Rate.

281           **"Flexible Rate"** means the per annum interest rate on a Bond in the Flexible  
282 Mode determined for such Bond pursuant to Section 2.5 of this ordinance. The Bonds in  
283 the Flexible Mode may bear interest at different Flexible Rates.

284           **"Flexible Rate Bond"** means a Bond in the Flexible Mode.

285           **"Flexible Rate Period"** means the period of from one to 270 calendar days  
286 (which period must end on a day preceding a Business Day) during which a Flexible Rate  
287 Bond will bear interest at a Flexible Rate, as established by the Remarketing Agent

288 pursuant to Section 2.5 of this ordinance. The Bonds in the Flexible Mode may be in  
289 different Flexible Rate Periods.

290 **"Government Obligations"** means those obligations now or hereafter defined as  
291 such in Chapter 39.53 of the Revised Code of Washington, as such chapter may be  
292 hereafter amended or restated.

293 **"Interest Accrual Period"** means the period during which a Bond accrues  
294 interest payable on the next Interest Payment Date applicable thereto. Each Interest  
295 Accrual Period must commence on (and include) the last Interest Payment Date to which  
296 interest has been paid (or, if no interest has been paid, from the date of original  
297 authentication and delivery of the Bonds) to, but not including, the Interest Payment Date  
298 on which interest is to be paid. If, at the time of authentication of any Bond, interest is in  
299 default or overdue on the Bonds, such Bond will bear interest from the date to which  
300 interest has previously been paid in full or made available for payment in full on  
301 Outstanding Bonds.

302 **"Interest Payment Date"** means each date on which interest is to be paid and is:  
303 (i) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date  
304 applicable thereto; (ii) with respect to the Bonds in the Daily Mode or Weekly Mode, the  
305 first Business Day of each month; (iii) with respect to the Bonds in a Term Rate Mode or  
306 a Fixed Rate Mode, the first day of the sixth calendar month following the month in  
307 which such Term Rate Mode or a Fixed Rate Mode takes effect, and the first day of each  
308 sixth calendar month thereafter or, upon the receipt by the Registrar of a Favorable  
309 Opinion of Bond Counsel, any other six-month interval chosen by the county (beginning  
310 with the first such day which is at least three months after the Conversion Date) and, with

311 respect to a Term Rate Period, the final day of the current Interest Period if other than a  
312 regular six-month interval; (iv) with respect to the Bonds in the LIBOR Indexed Mode,  
313 each January 1, April 1, July 1 and October 1 (beginning with the first such day after the  
314 Conversion Date); (v) (without duplication as to any Interest Payment Date listed above)  
315 each Maturity Date; and (vi) with respect to any Liquidity Provider Bonds, the day set  
316 forth in the Reimbursement Agreement.

317       **"Interest Period"** means, for the Bonds in a particular Interest Rate Mode, the  
318 period of time that the Bonds bear interest at the rate (per annum) that becomes effective  
319 at the beginning of such period, and will include a Flexible Rate Period, a Daily Rate  
320 Period, a Weekly Rate Period, a LIBOR Interest Period, a Term Rate Period and a Fixed  
321 Rate Period.

322       **"Interest Rate Mode"** means, as the context may require, the Flexible Mode, the  
323 Daily Mode, the Weekly Mode, the LIBOR Indexed Mode, the Term Rate Mode or the  
324 Fixed Rate Mode.

325       **"Junior Lien Bond Fund"** means the "King County, Washington, Junior Lien  
326 Obligation Redemption Fund" created pursuant to Section 5.01 of Ordinance 14171.

327       **"Junior Lien Obligations"** means the bonds identified as such in the Preamble  
328 to this ordinance, together with any revenue bonds that the county may hereafter issue  
329 with a lien on Revenue of the System equal to the lien thereon of the Junior Lien  
330 Obligations.

331       **"Letter of Representations"** means the Blanket Issuer Letter of Representations  
332 heretofore entered into by the county with DTC, or any similar agreement or document  
333 relating to a successor to DTC as Securities Depository.



334           **"LIBOR Indexed Mode"** means the Interest Rate Mode during which the Bonds  
335 bear interest at the LIBOR Index Rate.

336           **"LIBOR Index Rate"** is the rate borne by the Bonds during each Interest Period  
337 determined in accordance with Section 2.9 of this ordinance.

338           **"LIBOR Interest Period"** means, during the LIBOR Indexed Mode, the period  
339 from (and including) the Conversion Date to but not including the first Interest Payment  
340 Date and thereafter means the period from (and including) an Interest Payment Date to  
341 but not including the following Interest Payment Date (regardless of whether or not such  
342 Interest Payment Dates are Business Days).

343           **"Liquidity Facility"** means any letter of credit, line of credit, standby purchase  
344 agreement or other instrument then in effect that provides for the payment of the purchase  
345 price of Bonds upon the tender thereof in the event remarketing proceeds are insufficient  
346 therefor.

347           **"Liquidity Facility Purchase Account"** means the account by that name created  
348 pursuant to Section 3.14 of this ordinance.

349           **"Liquidity Provider"** means any bank, insurance company, pension fund or  
350 other financial institution that provides a Liquidity Facility or Alternate Liquidity Facility  
351 for the Bonds.

352           **"Liquidity Provider Bonds"** means any Bonds purchased by the Liquidity  
353 Provider with funds drawn on or advanced under the Liquidity Facility.

354           **"London Banking Day"** means any day on which commercial banks are open  
355 for general business (including dealings in foreign exchange and foreign currency) in the  
356 City of London, United Kingdom.

357           **"Long-Term Mode"** means a LIBOR Indexed Mode, a Term Rate Mode or a  
358 Fixed Rate Mode.

359           **"Mandatory Purchase Date"** means: (i) with respect to a Flexible Rate Bond  
360 the first Business Day following the last day of each Flexible Rate Period with respect to  
361 such Bond; (ii) for Bonds in the Term Rate Mode, on the first Business Day following the  
362 last day of each Term Rate Period; (iii) any Conversion Date; (iv) any Substitution Date;  
363 (v) the fifth Business Day prior to any Expiration Date (other than as a result of an  
364 Automatic Termination Event); (vi) the date specified by the Registrar following the  
365 occurrence of an event of default (other than an Automatic Termination Event) under the  
366 Reimbursement Agreement, which date must be a Business Day not more than 25 nor  
367 less than 20 days after the Registrar's receipt of written notice of such event of default  
368 from the Credit Provider or the Liquidity Provider and in no event later than the day  
369 preceding the termination date specified by the Credit Provider or the Liquidity Provider;  
370 (vii) the date specified by the Registrar following receipt of notice by the Registrar from  
371 the Credit Provider that the Credit Enhancement will not be reinstated following a  
372 drawing to pay interest on the Bonds (other than interest on Bonds no longer Outstanding  
373 after such drawing), which date must be a Business Day not more than five days after the  
374 Registrar's receipt of such notice; and (viii) for Bonds in the Daily Mode or Weekly  
375 Mode, any Business Day specified by the county not less than 30 days after the  
376 Registrar's receipt of such notice and in no event later than the day preceding the  
377 Expiration Date.

378           **"Maturity Date"** means January 1, 2040, and, if established pursuant to Section  
379 2.10(b)(v) of this ordinance upon a change to the Fixed Rate Mode, any Serial Maturity

380 Date.

381 **"Maximum Rate"** means (i) with respect to all Bonds other than Liquidity  
382 Provider Bonds, a rate of interest equal to the lesser of (a) 15% per annum or (b) the per  
383 annum interest rate used to calculate the Available Amount under the Liquidity Facility,  
384 and (ii) with respect to Liquidity Provider Bonds, the rate specified in the Reimbursement  
385 Agreement. In no event may such rate(s) exceed the highest rate allowed by law.

386 **"Moody's"** means Moody's Investors Service, a corporation duly organized and  
387 existing under and by virtue of the laws of the State of Delaware, and its successors and  
388 assigns, except that if such corporation is dissolved or liquidated or no longer performs  
389 the functions of a securities rating agency, then the term "Moody's" will be deemed to  
390 refer to any other nationally recognized securities rating agency selected by the county  
391 after consultation with the Remarketing Agent.

392 **"MSRB"** means the Municipal Securities Rulemaking Board or any successors to  
393 its functions.

394 **"Multi-Modal LTGO/Sewer Revenue Bonds"** means the Bonds, the Series  
395 2010B Bonds, and any additional limited tax general obligation bonds of the county  
396 payable from Revenue of the System and having the same lien on such revenue as the  
397 Bonds and the Series 2010B Bonds.

398 **"Net Revenue"** means Revenue of the System less Operating and Maintenance  
399 Expenses.

400 **"New Mode"** has the meaning specified in Section 2.10(a) of this ordinance.

401 **"Notice Parties"** means the county, the Registrar, the Tender Agent, the  
402 Remarketing Agent, the Paying Agent, the Credit Provider, if any, and the Liquidity

403 Provider, if any.

404           **"NRMSIR"** means a nationally recognized municipal securities information  
405 repository.

406           **"Operating and Maintenance Expenses"** means all normal expenses incurred  
407 by the county in causing the System to be maintained in good repair, working order and  
408 condition and includes payments to any private or governmental agency for the operation  
409 or maintenance of facilities or for the disposal of sewage but excludes any allowance for  
410 depreciation.

411           **"Opinion of Counsel"** means a written legal opinion from a firm of attorneys  
412 experienced in the matters to be covered in the opinion.

413           **"Outstanding,"** when used as of a particular time with reference to Bonds,  
414 means all Bonds delivered hereunder except:

415           (a) Bonds cancelled by the Registrar or surrendered to the Registrar for  
416 cancellation;

417           (b) Bonds paid or deemed to have been paid within the meaning of this  
418 ordinance; and

419           (c) Bonds in lieu of or in substitution for which replacement Bonds have been  
420 executed by the county and delivered by the Registrar hereunder.

421           Notwithstanding the foregoing, Liquidity Provider Bonds will remain Outstanding  
422 until the Liquidity Provider is paid all amounts due on such Bonds.

423           **"Owner"** means the registered owner of a Bond, including the Securities  
424 Depository, if any, or its nominee.

425           **"Parity Bond Fund"** means the "Water Quality Revenue Bond Account"

426 designated pursuant to Section 30 of Ordinance 12076 of the county for the purpose of  
427 paying and securing the payment of the Parity Bonds.

428 **"Parity Bond Reserve Account"** means the bond reserve account in the Parity  
429 Bond Fund securing the payment of the Parity Bonds.

430 **"Parity Bonds"** means the bonds identified as such in the Preamble to this  
431 ordinance, together with any sewer revenue bonds that the county may hereafter issue  
432 with a lien on Revenue of the System equal to the lien thereon of those Parity Bonds.  
433 "Parity Bonds" include any Parity Payment Agreements and parity reimbursement  
434 agreements entered into with the provider of a Credit Facility securing any Parity Bonds.

435 **"Parity Lien Obligation Bond Fund"** means the Water Quality Limited Tax  
436 General Obligation Bond Redemption Fund, established pursuant to Section 8 of  
437 Ordinance 11241 of the county, to provide for payment of Parity Lien Obligations.

438 **"Parity Lien Obligation Payment Agreement"** means a Payment Agreement  
439 under which the county's payment obligations are expressly stated to constitute a charge  
440 and lien on the Revenue of the System equal in rank with the charge and lien upon such  
441 revenue securing amounts required to be paid into the Parity Lien Obligation Bond Fund  
442 to pay and secure the payment of principal of and interest on the Parity Lien Obligations.

443 **"Parity Lien Obligations"** means bonds identified as such in the Preamble to  
444 this ordinance and any bonds that the county may issue hereafter with a lien on Revenue  
445 of the System equal to the lien thereon of those Parity Lien Obligations. "Parity Lien  
446 Obligations" include any Parity Lien Obligation Payment Agreements and parity  
447 reimbursement agreements entered into with the provider of a Credit Facility securing  
448 any Parity Lien Obligations.

449           **"Parity Payment Agreement"** means a Payment Agreement under which the  
450 county's payment obligations are expressly stated to constitute a charge and lien on the  
451 Revenue of the System equal in rank with the charge and lien upon such revenue securing  
452 amounts required to be paid into the Bond Fund to pay and secure the payment of  
453 principal of and interest on the Parity Bonds.

454           **"Participant"** means each city, town, county, water-sewer district, municipal  
455 corporation, person, firm or private corporation that disposes of any portion of its sanitary  
456 sewage into the Sewer System and has entered into a Service Agreement with the county.

457           **"Paying Agent"** means the Registrar or such other or additional Paying Agent  
458 designated from time to time, pursuant to Section 8.1 of this ordinance, to pay principal  
459 of and interest on the Bonds.

460           **"Payment Agreement"** means, to the extent permitted from time to time by  
461 applicable law, a written agreement entered into by the county (i) in connection with or  
462 incidental to the issuance, incurring or carrying of bonds or other obligations of the  
463 county secured in whole or in part by a lien on Revenue of the System; (ii) for the  
464 purpose of managing or reducing the county's exposure to fluctuations or levels of  
465 interest rates, currencies or commodities or for other interest rate, investment, asset or  
466 liability management purposes; (iii) with a Qualified Counterparty; and (iv) which  
467 provides, on either a current or forward basis, for an exchange of payments determined in  
468 accordance with a formula specified therein.

469           **"Payment Agreement Payments"** means the amounts periodically required to  
470 be paid by the county to the Qualified Counterparty pursuant to a Payment Agreement.  
471 The term "Payment Agreement Payments" does not include any termination payment

472 required to be paid with respect to a Payment Agreement.

473        **"Payment Agreement Receipts"** means the amounts periodically required to be  
474 paid by the Qualified Counterparty to the county pursuant to a Payment Agreement.

475        **"Person"** means a corporation, association, partnership, limited liability  
476 company, joint venture, trust, organization, business, individual or government or any  
477 governmental agency or political subdivision thereof.

478        **"Principal Office"** means, with respect to the Registrar, Tender Agent and  
479 Paying Agent, the designated office of the Registrar indicated in Section 11.3 of this  
480 ordinance; or such other or additional offices as may be specified to the county by the  
481 Registrar, Tender Agent or Paying Agent.

482        **"Principal Payment Date"** means any date upon which the principal amount of  
483 Bonds is due hereunder, including the Maturity Date, any Serial Maturity Date, any  
484 Redemption Date, or the date the maturity of any Bond is accelerated pursuant to the  
485 terms hereof or otherwise.

486        **"Professional Utility Consultant"** means a licensed professional engineer, a  
487 Certified Public Accountant, or other independent person(s) or firm(s) selected by the  
488 county having a favorable reputation for skill and experience with sewer systems of  
489 comparable size and character to the System in such areas as are relevant to the purposes  
490 for which they are retained.

491        **"Public Works Trust Fund Loans"** means loans to the county by the State of  
492 Washington Department of Community, Trade and Economic Development under the  
493 Public Works Trust Fund loan program pursuant to loan agreements in effect as of the  
494 date of this ordinance and any loan agreements hereafter entered into by the county under

495 the Public Works Trust Fund loan program, the repayment obligations of which are  
496 secured by a lien on Revenue of the System equal to the lien thereon established by such  
497 loan agreements.

498 **"Purchase Date"** means (i) for a Bond in the Daily Mode or the Weekly Mode,  
499 any Business Day selected by the Beneficial Owner of said Bond pursuant to the  
500 provisions of Section 3.6 of this ordinance, and (ii) any Mandatory Purchase Date.

501 **"Purchase Fund"** means the fund by that name created in Section 3.14 of this  
502 ordinance.

503 **"Purchase Price"** means an amount equal to the principal amount of any Bonds  
504 purchased on any Purchase Date, plus accrued interest to the Purchase Date (unless the  
505 Purchase Date is an Interest Payment Date, in which case the Purchase Price will not  
506 include accrued interest, which will be paid in the normal course).

507 **"Qualified Counterparty"** means with respect to a Payment Agreement an  
508 entity (i) whose senior long term debt obligations, other senior unsecured long term  
509 obligations or claims paying ability or whose payment obligations under a Payment  
510 Agreement are guaranteed by an entity whose senior long term debt obligations, other  
511 senior unsecured long term obligations or claims paying ability are rated (at the time the  
512 Payment Agreement is entered into) at least as high as A3 by Moody's and A- by S&P, or  
513 the equivalent thereof by any successor thereto, and (ii) who is otherwise qualified to act  
514 as the other party to a Payment Agreement under any applicable laws of the State.

515 **"Quotation Agent"** means Goldman, Sachs & Co., or, if Goldman, Sachs & Co.  
516 cannot perform the duties of a Quotation Agent set forth herein, such other quotation  
517 agent as may be designated by the county.



518           **"Rate Determination Date"** means any date on which the interest rate on Bonds  
519 will be determined, which, (i) in the case of the Flexible Mode, will be the first day of an  
520 Interest Period; (ii) in the case of the Daily Mode, will be each Business Day  
521 commencing with the first day (which must be a Business Day) the Bonds become  
522 subject to the Daily Mode; (iii) in the case of the Weekly Mode, (A) initially, each  
523 Tuesday or, if Tuesday is not a Business Day, then the Business Day next succeeding  
524 such Tuesday or such other day as may be established pursuant to Section 2.6(c) of this  
525 ordinance, and (B) not later than the Business Day preceding a Conversion Date, a  
526 Substitution Date or a Mandatory Purchase Date specified in clause (viii) of the definition  
527 of Mandatory Purchase Date; (iv) in the case of the Term Rate Mode, will be a Business  
528 Day no earlier than 15 Business Days and no later than the Business Day next preceding  
529 the first day of an Interest Period, as determined by the Remarketing Agent; (v) in the  
530 case of the LIBOR Indexed Mode, will be date that is two London Business Days  
531 preceding the first day of each LIBOR Interest Period; and (vi) in the case of the Fixed  
532 Rate Mode, will be a date determined by the Remarketing Agent that will be at least one  
533 Business Day prior to the Conversion Date.

534           **"Rate Stabilization Fund"** means the fund of that name created pursuant to  
535 Section 13.D of Ordinance 12314 of the county.

536           **"Rating Agency"** means Moody's or S&P or, if either Moody's or S&P does not  
537 furnish a rating on the Bonds, then each such nationally recognized rating agency then  
538 rating the Bonds.

539           **"Rating Confirmation Notice"** means a notice from each Rating Agency  
540 confirming that the rating on the Bonds will not be lowered or withdrawn (other than a

541 withdrawal of a short-term rating upon a change to a Long-Term Mode) as a result of the  
542 action proposed to be taken.

543 **"Record Date"** means (i) with respect to Bonds in a Short-Term Mode, the last  
544 Business Day before an Interest Payment Date; and (ii) with respect to Bonds in a Long-  
545 Term Mode, the 15th day (whether or not a Business Day) of the month next preceding  
546 each Interest Payment Date.

547 **"Redemption Date"** means the date fixed for redemption of Bonds subject to  
548 redemption in any notice of redemption given in accordance with the terms hereof.

549 **"Redemption Price"** means an amount equal to the principal of and premium, if  
550 any, and accrued interest, if any, on the Bonds to be paid on the Redemption Date.

551 **"Registrar"** means initially, the fiscal agency of the State of Washington in New  
552 York, New York, or any successor Registrar appointed pursuant to Section 8.1 of this  
553 ordinance. The Registrar's duties include (i) registering and authenticating the Bonds,  
554 maintaining the Bond Register, registering the transfer of Bonds, (ii) as Paying Agent,  
555 paying interest on and principal of the Bonds and holding any Credit Enhancement  
556 (except a Credit Enhancement combined with a Liquidity Facility), and (iii) as Tender  
557 Agent, paying the Purchase Price of tendered Bonds and holding any Liquidity Facility  
558 and any combined Credit Enhancement and Liquidity Facility.

559 **"Reimbursement Agreement"** means any reimbursement agreement, credit  
560 agreement, line of credit agreement, standby purchase agreement or other agreement, by  
561 and between the county and a Credit Provider or Liquidity Provider, as applicable.

562 **"Remarketing Agent"** means any investment banking firm appointed as  
563 provided in Section 8.2 of this ordinance, initially Goldman, Sachs & Co.

564           **"Remarketing Agreement"** means that certain Remarketing Agreement between  
565 the county and the Remarketing Agent relating to the Bonds, authorized to be entered  
566 into pursuant to Section 8.2 of this ordinance, or any similar agreement between the  
567 county and a successor Remarketing Agent, as it may be amended or supplemented from  
568 time to time in accordance with its terms.

569           **"Remarketing Proceeds Account"** means the account by that name created  
570 pursuant to Section 3.14 of this ordinance.

571           **"Revenue Fund"** means the "Water Quality Operating Account" as designated  
572 by Section 30 of Ordinance 12076 of the county.

573           **"Revenue of the System"** means all the earnings, revenues and money received  
574 by the county from or on account of the operations of the Sewer System and the income  
575 from the investment of money in the Revenue Fund or any account within such fund, but  
576 does not include (i) any money collected pursuant to the Service Agreements applicable  
577 to administrative costs of the county other than costs of administration of the System and  
578 (ii) any Debt Service Offsets.

579           **"Rule"** means the Securities and Exchange Commission's Rule 15c2-12 under  
580 the Securities Exchange Act of 1934, as amended.

581           **"S&P"** means Standard & Poor's Ratings Services, duly organized and existing  
582 under and by virtue of the laws of the State of New York, and its successors and assigns,  
583 except that if such corporation is dissolved or liquidated or no longer performs the  
584 functions of a securities rating agency, then the term "S&P" will be deemed to refer to  
585 any other nationally recognized securities rating agency selected by the county after  
586 consultation with the Remarketing Agent, if any.

587           **"Securities Depository"** means initially DTC or such other securities depository  
588 as the county may designate in a certificate of the county delivered to the Registrar.

589           **"Senior Lien Payments"** means, for any calendar year, the sum of the following:

590           (1)     Annual Debt Service for such year for then outstanding Parity Bonds and  
591 Parity Lien Obligations ; and

592           (2)     any other payments described in Paragraphs Second through Fifth of  
593 Section 4.4 of this ordinance required to be made during such year.

594           **"Serial Bonds"** means the Bonds maturing on the Serial Maturity Dates, as  
595 determined pursuant to Section 2.10(b) of this ordinance.

596           **"Serial Maturity Dates"** means the dates on which the Serial Bonds mature, as  
597 determined pursuant to Section 2.10(b) of this ordinance.

598           **"Serial Payments"** means the payments to be made in payment of the principal  
599 of the Serial Bonds on the Serial Maturity Dates.

600           **"Series 2010B Bonds"** means the King County, Washington, Multi-Modal  
601 Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010B,  
602 authorized to be issued simultaneously with the Bonds.

603           **"Service Agreements"** means the sewage disposal agreements entered into  
604 between the county and municipal corporations, persons, firms, private corporations, or  
605 governmental agencies providing for the disposal by the county of sewage collected from  
606 such contracting parties.

607           **"Short-Term Mode"** means the Daily Mode, the Weekly Mode or the Flexible  
608 Mode.

609           **"SID"** means a state information depository for the State of Washington, if any.

610           **"SRF Loans"** means loans to the county by the State of Washington Department  
611 of Ecology pursuant to loan agreements in effect as of the date of this ordinance and any  
612 loans and loan agreements hereafter entered into by the county under the State of  
613 Washington water pollution control revolving fund loan program, the repayment  
614 obligations of which are secured by a lien on Revenue of the System equal to the lien  
615 thereon established by such loan agreements.

616           **"Subordinate Lien Obligations"** means the Commercial Paper Notes, the Bank  
617 Note, and any revenue bonds or other revenue obligations that the county may hereafter  
618 issue with a lien on Revenue of the System equal to the lien thereon of the Commercial  
619 Paper Notes and the Bank Note.

620           **"Substitution Date"** means the date on which an Alternate Credit Enhancement  
621 or Alternate Liquidity Facility is scheduled to be substituted for the Credit Enhancement  
622 or Liquidity Facility then in effect.

623           **"System" or "Sewer System"** means the sewers and sewage disposal facilities  
624 now or hereafter acquired, constructed, used or operated by the county for the purpose of  
625 carrying out the Comprehensive Plan.

626           **"Tax Certificate"** means the federal tax certificate with respect to certain federal  
627 tax matters executed on behalf of the county upon the issuance of each series of the  
628 Bonds.

629           **"Tax-Benefited Bonds"** means Bonds other than Tax-Exempt Bonds that are  
630 structured so as to confer certain benefits under the Code to the county or to the owners  
631 of such Bonds.

632           **"Tax-Exempt Bonds"** means Bonds the interest on which the county intends to

633 be excludable from gross income for federal income tax purposes, as provided in Section  
634 5.3 of this ordinance and so designated pursuant to Section 9.1 of this ordinance.

635 **"Tender Agent"** means the Registrar or such other or additional Tender Agent  
636 designated from time to time, pursuant to Section 8.1 of this ordinance, to pay the  
637 Purchase Price of tendered Bonds and hold any Liquidity Facility or combined Credit  
638 Enhancement and Liquidity Facility.

639 **"Tender Notice"** means a notice delivered by Electronic Means or in writing that  
640 states (i) the principal amount of such Bond to be purchased pursuant to Section 3.6 of  
641 this ordinance, (ii) the Purchase Date on which such Bond is to be purchased, (iii)  
642 applicable payment instructions with respect to the Bonds being tendered for purchase  
643 and (iv) an irrevocable demand for such purchase.

644 **"Tender Notice Deadline"** means (i) during the Daily Mode, 11:00 A.M. on any  
645 Business Day and (ii) during the Weekly Mode, 5:00 P.M. on the Business Day seven  
646 days prior to the applicable Purchase Date.

647 **"Term Rate"** means the per annum interest rate for the Bonds in the Term Rate  
648 Mode determined pursuant to Section 2.7(a) of this ordinance.

649 **"Term Rate Mode"** means the Interest Rate Mode during which the Bonds bear  
650 interest at the Term Rate.

651 **"Term Rate Period"** means the period from (and including) the Conversion Date  
652 or the date of initial issuance of the Bonds, as applicable, to (but excluding) the last day  
653 of the first period that the Bonds are in the Term Rate Mode as established by the county  
654 for the Bonds pursuant to Section 2.10(a)(i) of this ordinance and, thereafter, the period  
655 from (and including) the beginning date of each successive Interest Period selected for

656 the Bonds by the county pursuant to Section 2.7(a) of this ordinance while it is in the  
657 Term Rate Mode to (but excluding) the commencement date of the next succeeding  
658 Interest Period, including another Term Rate Period. Except as otherwise provided in  
659 this ordinance, an Interest Period for the Bonds in the Term Rate Mode must be at least  
660 180 days in length.

661       **"Three-Month LIBOR Rate"** means the rate for deposits in U.S. dollars with a  
662 three-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page  
663 as may replace that page on that service, or such other service as may be nominated by  
664 the British Bankers Association for the purpose of displaying London interbank offered  
665 rates for U.S. dollar deposits) as of 11:00 A.M., London time, on the Rate Determination  
666 Date, except that, if such rate does not appear on such page on the Rate Determination  
667 Date, the Three-Month LIBOR Rate means a rate determined on the basis of the rates at  
668 which deposits in U.S. dollars for a three-month maturity and in a principal amount of at  
669 least U.S. \$1,000,000 are offered at approximately 11:00 A.M., London time, on the Rate  
670 Determination Date, to prime banks in the London interbank market by four major banks  
671 in the London interbank market (herein referred to as the "Reference Banks") selected by  
672 the Quotation Agent. The Quotation Agent is to request the principal London office of  
673 each of the Reference Banks to provide a quotation of its rate. If at least two such  
674 quotations are provided, the Three-Month LIBOR Rate will be the arithmetic mean of  
675 such quotations. If fewer than two quotations are provided, the Three-Month LIBOR  
676 Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not  
677 provided, two or one, as applicable) major banks in New York City, selected by the  
678 Quotation Agent, at approximately 11:00 A.M. on the Rate Determination Date for loans

679 in U.S. dollars to leading European banks in a principal amount of at least U.S.  
680 \$1,000,000 having a three-month maturity. If the banks in New York City selected by  
681 the Quotation Agent are not then quoting rates for such loans, then the Three-Month  
682 LIBOR Rate for the ensuing LIBOR Interest Period will mean the Three-Month LIBOR  
683 Rate then in effect.

684 **"Underwriter"** means Goldman, Sachs & Co.

685 **"Unremarketed Bonds Rate"** means the Maximum Rate, provided that in no  
686 event may such rate exceed the highest rate allowed by law.

687 **"Variable Rate Mode"** means the Short-Term Mode or the Term Rate Mode.

688 **"Variable Rate Parity Bonds"** and **"Variable Rate Parity Lien Obligations"**  
689 mean Parity Bonds and Parity Lien Obligations bearing interest at a variable rate of  
690 interest provided that at least one of the following conditions is met: (i) at the time of  
691 issuance the county has entered into a Payment Agreement with respect to such Parity  
692 Bonds or Parity Lien Obligations, as applicable, which Agreement converts the effective  
693 interest rate to the county on such bonds from a variable interest rate to a fixed interest  
694 rate, or (ii) the Parity Bonds or Parity Lien Obligations bear interest at a variable rate but  
695 are issued concurrently in equal par amounts with other Parity Bonds or Parity Lien  
696 Obligations bearing interest at a variable rate and that are required to remain outstanding  
697 in equal amounts at all times, if the net effect of such equal par amounts and variable  
698 rates at all times is a fixed rate of interest to the county.

699 **"Weekly Mode"** means the Interest Rate Mode during which the Bonds bear  
700 interest at the Weekly Rate.

701 **"Weekly Rate"** means the per annum interest rate on the Bonds in the Weekly



702 Mode determined pursuant to Section 2.6(b) of this ordinance.

703           **"Weekly Rate Period"** means the period during which a Bond in the Weekly  
704 Mode bears a Weekly Rate, which will be the period commencing on the day following  
705 the Rate Determination Date of each week to and including the Rate Determination Date  
706 of the following week, except (i) in connection with a conversion to the Weekly Rate, in  
707 which case the first Weekly Rate Period will be from the Conversion Date to and  
708 including the Rate Determination Date of the following week, (ii) in the case of a  
709 Substitution Date or Mandatory Purchase Date specified in clause (viii) of the definition  
710 of Mandatory Purchase Date, in which case the Weekly Rate Period prior to the  
711 Substitution Date or such Mandatory Purchase Date will end on the day before the  
712 Substitution Date or such Mandatory Purchase Date and a new Weekly Rate Period will  
713 commence on the Substitution Date or such Mandatory Purchase Date and end on the  
714 Rate Determination Date of the following week and (iii) in connection with a conversion  
715 from the Weekly Mode, the last Weekly Rate Period will end on the day next preceding  
716 the Conversion Date.

717           **SECTION 1.2. Interpretation.**

718           (a) All references to Section numbers or Article numbers that do not specify the  
719 document to which such Section numbers or Article numbers relate will be deemed to  
720 refer to Section numbers or Article numbers in this ordinance.

721           (b) Whenever in this ordinance there is specified a time of day at or by which a  
722 certain action must be taken, such time will be local time in New York City, except as  
723 otherwise specifically provided in this ordinance.

724           (c) If the date for making any payment or the last day for the performance of any

725 act or the exercise of any right provided in this ordinance is not a Business Day, such  
726 payment may be made or act performed or right exercised on the next succeeding  
727 Business Day with the same force and effect as if done on the nominal date provided in  
728 this ordinance, except as otherwise specifically provided herein.

729 **ARTICLE II**

730 **AUTHORIZATION, ISSUANCE AND MODES**

731 **OF THE BONDS**

732 **SECTION 2.1. Authorization, Delivery and Registration.**

733 (a) Authorization; Initial Mode. To finance a portion of the cost of capital  
734 projects of the System, the county will issue a series of Multi-Modal LTGO/Sewer  
735 Revenue Bonds in the aggregate principal amount of not to exceed \$50,000,000  
736 designated as the "King County, Washington, Multi-Modal Limited Tax General  
737 Obligation Bonds (Payable from Sewer Revenues), Series 2010A" (the "Bonds"). The  
738 Bonds will be dated the date of their authentication and delivery to the Underwriter and  
739 will bear interest at the applicable rate or rates during each applicable Interest Accrual  
740 Period until the entire principal amount of the Bonds has been paid.

741 The Bonds will be issued initially in the Weekly Mode and may be converted to  
742 another Interest Rate Mode as provided herein. The initial Weekly Rate on the Bonds  
743 will be determined on or prior to the date of issuance of the Bonds by the Underwriter as  
744 the lowest rate that in its judgment is necessary to enable the Bonds to be sold at a price  
745 equal to the principal amount thereof and will be set forth in a certificate of the  
746 Underwriter delivered at or before the date of issuance of the Bonds. Thereafter the  
747 interest rate to be applicable to the Bonds will be determined as provided in Section 2.6

748 of this ordinance until the Interest Rate Mode for the Bonds is changed, as provided  
749 herein.

750 (b) Registration Covenant; Registrar. The county covenants that, until all Bonds  
751 have been surrendered and canceled, it will maintain a system for recording the  
752 ownership of each Bond that complies with the provisions of Section 149 of the Code. In  
753 accordance with K.C.C. Chapter 4.84, the county hereby adopts for the Bonds the system  
754 of registration specified and approved by the Washington State Finance Committee,  
755 which utilizes the fiscal agency of the State of Washington in New York City as registrar,  
756 authenticating agent, paying agent and transfer agent for the Bonds (the "Registrar"). The  
757 Registrar will keep, or cause to be kept, at its corporate trust office, sufficient books for  
758 the registration and transfer of the Bonds, which will at all times be open to inspection by  
759 the county (the "Bond Register"). So long as any Bonds remain Outstanding, the  
760 Registrar will make all necessary provisions to permit the exchange or registration of  
761 transfer of Bonds at its principal corporate trust office. The Registrar is authorized, on  
762 behalf of the county, to authenticate and deliver Bonds transferred or exchanged in  
763 accordance with the provisions of the Bonds and this ordinance and to carry out all of the  
764 Registrar's powers and duties under this ordinance. The Registrar is responsible for its  
765 representations contained in the Certificate of Authentication on the Bonds.

766 (c) DTC as Initial Securities Depository. To induce DTC to accept the Bonds as  
767 eligible for deposit at DTC, the county has heretofore executed and delivered to DTC a  
768 Letter of Representations. The Bonds will initially be held in fully immobilized form in a  
769 Book-Entry System by DTC acting as Securities Depository. The county, the Registrar,  
770 and the Paying Agent have no responsibility or obligation to DTC Participants or the

771 persons for whom they act as nominees with respect to the accuracy of any records  
772 maintained by DTC or any DTC Participant as to the Bonds, the payment by DTC or any  
773 DTC Participant of any amount in respect of the principal or redemption price of or  
774 interest on the Bonds, any notice that is permitted or required to be given to Owners  
775 under this ordinance (except any such notices as must be given by the county to the  
776 Registrar, the Paying Agent, or to DTC), the selection by DTC or by any DTC Participant  
777 of any person to receive payment in the event of a partial redemption of the Bonds, or any  
778 consent given or other action taken by DTC as the Owner of the Bonds.

779       (d) Initial Registration; Transfers. The Bonds will be registered initially in the  
780 name of "Cede & Co.," as nominee of DTC, with one Bond in a denomination  
781 corresponding to the total principal amount of the Bonds designated to mature on the  
782 Maturity Date. Purchases of the Bonds, in Authorized Denominations, may be made  
783 through brokers and dealers, who must be or act through DTC Participants. Registered  
784 ownership of such immobilized Bonds, or any portions thereof, may not thereafter be  
785 transferred except (i) to any successor Securities Depository or its nominee, provided that  
786 any such successor must be qualified under any applicable laws to provide the service  
787 proposed to be provided by it; (ii) to any substitute Securities Depository appointed by  
788 the county pursuant to subsection (e) of this Section 2.1; or (iii) to any person as provided  
789 in subsection (h) of this Section 2.1.

790       (e) Substitute Depository. Upon the resignation of DTC or its successor (or any  
791 substitute depository or its successor) from its functions as depository or a determination  
792 by the county that it is no longer in the best interests of owners of beneficial interests in  
793 the Bonds to continue the system of book-entry transfers through DTC or its successor

794 (or any substitute depository or its successor), the county may appoint a substitute  
795 depository or terminate the use of a depository. Any such substitute depository must be  
796 qualified under any applicable laws to provide the services proposed to be provided by it.

797 (f) Issuance of New Bonds to Successor/Substitute Depository. In the case of  
798 any transfer pursuant to clause (i) or (ii) of subsection (d) of this Section 2.1, the  
799 Registrar will, upon receipt of all Outstanding Bonds, together with a written request on  
800 behalf of the county, issue a single new Bond registered in the name of such successor or  
801 such substitute depository, or its nominee, as the case may be, all as specified in the  
802 written request of the county.

803 (g) Termination of Book-Entry System. If (i) the Securities Depository resigns  
804 and no substitute Securities Depository can be obtained, or (ii) the Finance Director  
805 determines that it is in the best interests of the county or the Beneficial Owners of the  
806 Bonds that they be able to obtain bond certificates, the ownership of Bonds may then be  
807 transferred to any person or entity as herein provided, and the Bonds will no longer be  
808 held in a Book-Entry System. The county will deliver a written request to the Registrar,  
809 together with a supply of definitive Bonds, to issue Bonds as herein provided in any  
810 Authorized Denomination. Upon receipt of all then Outstanding Bonds by the Registrar,  
811 together with a written request on behalf of the county to the Registrar, new Bonds will  
812 be issued in such denominations and registered in the names of such persons as are  
813 specified in such written request.

814 (h) Transfer or Exchange of Certificated Bonds. If the Bonds are no longer held  
815 in a Book-Entry System, the transfer of ownership of any Bond may be registered and  
816 such Bonds may be exchanged, but no transfer of any Bond will be valid unless it is

817 surrendered to the Registrar with the assignment form appearing on such Bond duly  
818 executed by the Owner or such Owner's duly authorized agent in a manner satisfactory to  
819 the Registrar. Upon such surrender, the Registrar will cancel the surrendered Bond and  
820 authenticate and deliver, without charge to the Owner or transferee therefor, a new Bond  
821 (or Bonds at the option of the new Owner) of the same date and Maturity Date and for the  
822 same aggregate principal amount in any Authorized Denomination, naming as Owner the  
823 person or persons listed as the assignee on the assignment form appearing on the  
824 surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may  
825 be surrendered to the Registrar and exchanged, without charge, for an equal aggregate  
826 principal amount of Bonds of the same date and Maturity Date in any Authorized  
827 Denomination. Other than in connection with an optional or mandatory tender for  
828 purchase, the Registrar will not be obligated to transfer or exchange any Bond during the  
829 15-day period prior to the selection of Bonds for redemption or the Maturity Date or  
830 following any publication of notice of redemption. No charge will be imposed upon  
831 Owners in connection with any transfer or exchange, except for taxes or governmental  
832 charges related thereto.

833           **SECTION 2.2. Denominations, Method of Payment, Authentication, and**  
834 **Form of Bonds.**

835           (a) Registered Ownership. The Bonds will be issued in the form of fully  
836 registered Bonds in Authorized Denominations. Except as may be specifically set forth  
837 herein, the Registrar, the Remarketing Agent, if any, and the county may treat the Owner  
838 (including the Securities Depository or its nominee, so long as the Bonds are held in the  
839 Book-Entry System) of a Bond as the absolute owner thereof for all purposes, whether or

840 not such Bond is overdue, and the county, Registrar, and Remarketing Agent, if any, will  
841 not be affected by any knowledge or notice to the contrary; and payment of the principal  
842 of and premium, if any, and interest on such Bond will be made only to such Owner,  
843 which payments will be valid and effectual to satisfy and discharge the liability of such  
844 Bond to the extent of the sum or sums so paid. All Bonds at maturity or on earlier  
845 redemption paid pursuant to the provisions of this Section will be cancelled by the  
846 Registrar.

847 (b) Method of Payment of Bonds. The principal of and premium, if any, and  
848 interest on the Bonds are payable in lawful money of the United States of America.  
849 Unless otherwise provided in any writing with or from the Securities Depository, the  
850 interest on the Bonds will be paid by the Paying Agent on the Interest Payment Dates by  
851 wire transfer of immediately available funds to an account specified by the Owner in a  
852 writing delivered to the Paying Agent. Any such specified account will remain in effect  
853 until revised by such Owner by an instrument in writing delivered to the Paying Agent.  
854 The principal of and premium, if any, on each Bond is payable on the Principal Payment  
855 Date, upon surrender thereof at the Principal Office of the Paying Agent.

856 (c) Form of Bonds; Execution. The Bonds will be in substantially the form set  
857 forth on Attachment A to this ordinance, with appropriate or necessary insertions,  
858 depending upon the omissions and variations as permitted or required hereby. If the  
859 Bonds are no longer held in a Book-Entry System, the form of the Bonds will be changed  
860 to reflect the changes required in connection with the preparation of certificated Bonds.

861 The Bonds will be executed on behalf of the county by the manual or facsimile  
862 signatures of the county executive and the clerk of the county council, and the official

863 seal of the county will be reproduced thereon. The validity of any Bond so executed will  
864 not be affected by the fact that one or more of the officers whose signatures appear on  
865 such Bond have ceased to hold office at the time of issuance or authentication or at any  
866 time thereafter.

867 (d) Authentication. No Bond will be valid for any purpose hereunder until the  
868 certificate of authentication printed on the Bond is manually signed by an authorized  
869 signatory of the Registrar. Such authentication will be proof that the Owner is entitled to  
870 the benefit of the trusts hereby created.

871 (e) Lost, Mutilated or Destroyed Bonds. If any Bond is mutilated, the Registrar  
872 will authenticate and deliver a new Bond of like series, amount, date, interest rate and  
873 tenor in exchange and substitution for the Bond so mutilated, upon the owner's paying the  
874 expenses and charges of the county and the Registrar in connection therewith and upon  
875 surrender to the Registrar of the Bond so mutilated. Every mutilated Bond so  
876 surrendered will be canceled and destroyed by the Registrar.

877 In case the Bonds or any of them are lost, stolen or destroyed, the Registrar will  
878 authenticate and deliver a new Bond or Bonds of like series, amount, date, and tenor to  
879 the Registered Owner thereof upon the owner's paying the expenses and charges of the  
880 county and the Registrar in connection therewith and upon his/her filing with the  
881 Registrar evidence satisfactory to the Registrar that such Bond or Bonds were actually  
882 lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the county  
883 and Registrar with indemnity satisfactory to the Finance Director and the Registrar.

884 **SECTION 2.3. Payment of Principal of and Interest on Bonds; Acceptance of**  
885 **Terms and Conditions.**



886 (a) The interest on the Bonds will become due and payable on the Interest  
887 Payment Dates in each year to and including the Maturity Date, and on each Redemption  
888 Date. The principal of the Bonds will become due and payable on the Principal Payment  
889 Dates. (b) By the acceptance of its Bond, the Owner and each Beneficial Owner thereof  
890 will be deemed to have agreed to all the terms and provisions of such Bond as specified  
891 in such Bond and this ordinance including, without limitation, the applicable Interest  
892 Periods, interest rates (including any applicable Alternate Rate), Purchase Dates,  
893 Mandatory Purchase Dates, Purchase Prices, mandatory and optional purchase and  
894 redemption provisions applicable to the Bond, method and timing of purchase,  
895 redemption, payment, etc. That Owner and each Beneficial Owner further agree that if,  
896 on any date upon which one of its Bonds is to be purchased, redeemed or paid at maturity  
897 or earlier due date, funds are on deposit with the Paying Agent or the Registrar to pay the  
898 full amount due on the Bond, then such Owner or Beneficial Owner will have no rights  
899 under this ordinance other than to receive the full amount due with respect to that Bond  
900 and that interest on that Bond will cease to accrue as of such date.

901 (c) While any Bonds are Liquidity Provider Bonds, those Bonds will bear interest  
902 and be payable at the times and in the amounts required under the Liquidity Facility.

903 **SECTION 2.4. Calculation and Payment of Interest; Change in Interest Rate**  
904 **Mode; Maximum Rate.**

905 (a) When a Short-Term Mode or a LIBOR Indexed Mode is in effect, interest will  
906 be calculated on the basis of a 365/366-day year for the actual number of days elapsed.  
907 When a Term Rate Mode or Fixed Rate Mode is in effect, interest will be calculated on  
908 the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on

909 each Bond will be made on each Interest Payment Date for such Bond for unpaid interest  
910 accrued during the Interest Accrual Period to the Owner of record of such Bond on the  
911 applicable Record Date.

912 (b) Bonds in any Interest Rate Mode, other than a Fixed Rate Mode, may be  
913 changed to any other Interest Rate Mode at the times and in the manner hereinafter  
914 provided. Subsequent to such change in Interest Rate Mode (other than a change to a  
915 Fixed Rate Mode), the Bonds may again be changed to a different Interest Rate Mode at  
916 the times and in the manner hereinafter provided. A Fixed Rate Mode will be in effect  
917 until the Maturity Date and may not be changed to any other Interest Rate Mode.

918 (c) No Bonds will bear interest at an interest rate higher than the Maximum Rate.

919 (d) In the absence of manifest error, the determination of interest rates (including  
920 any determination of rates in connection with a New Mode) and interest periods by the  
921 Remarketing Agent and the record of interest rates maintained by the Paying Agent will  
922 be conclusive and binding upon the Remarketing Agent, the Paying Agent, the Registrar,  
923 the county, the Owners and the Beneficial Owners.

924 **SECTION 2.5. Determination of Flexible Rates and Interest Periods During**  
925 **Flexible Mode.** An Interest Period for the Bonds in the Flexible Mode will last from one  
926 to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date, as  
927 the Remarketing Agent will determine in accordance with the provisions of this Section.  
928 A Flexible Rate Bond can have an Interest Period, and bear interest at a Flexible Rate,  
929 different from another Flexible Rate Bond. In making the determinations with respect to  
930 Interest Periods, subject to limitations imposed by the second preceding sentence and in  
931 Section 2.4 of this ordinance, on each Rate Determination Date for a Flexible Rate Bond,

932 the Remarketing Agent will select for such Bond the Interest Period that would result in  
933 the Remarketing Agent's being able to remarket such Bond at par in the secondary market  
934 at the lowest average interest cost for all Flexible Rate Bonds; provided, however, that if  
935 the Remarketing Agent has received notice from the county that the Bonds are to be  
936 changed from the Flexible Mode to any other Interest Rate Mode, the Remarketing Agent  
937 must select Interest Periods that do not extend beyond the resulting applicable Mandatory  
938 Purchase Date of the Bonds.

939           Except while the Bonds are registered in a Book-Entry System, to receive  
940 payment of the Purchase Price the Owner of any Bond in the Flexible Mode must present  
941 such Bond to the Paying Agent by 12:00 noon on the Rate Determination Date, in which  
942 case, the Paying Agent will pay the Purchase Price to such Owner by 3:00 P.M. on the  
943 same day.

944           By 1:00 P.M. on each Rate Determination Date, the Remarketing Agent, with  
945 respect to each Bond in the Flexible Mode that is subject to adjustment on such date, will  
946 determine the Flexible Rate(s) for the Interest Periods then selected for such Bond and  
947 will give notice by Electronic Means to the Paying Agent and the county of the Interest  
948 Periods, the Purchase Date(s) and the Flexible Rate(s). The Remarketing Agent will  
949 make the Flexible Rate and Interest Period available after 2:00 P.M. on each Rate  
950 Determination Date by Electronic Means to any Beneficial Owner or Notice Party  
951 requesting such information.

952           SECTION 2.6. Determination of Interest Rates During the Daily Mode and  
953 **the Weekly Mode.** The interest rate for the Bonds in the Daily Mode or Weekly Mode  
954 will be the rate of interest per annum determined by the Remarketing Agent on and as of

955 the applicable Rate Determination Date as the minimum rate of interest that, in the  
956 opinion of the Remarketing Agent under then-existing market conditions, would result in  
957 the sale of the Bonds in the Daily Rate Period or Weekly Rate Period, as applicable, at a  
958 price equal to the principal amount thereof, plus interest, if any, accrued through the Rate  
959 Determination Date during the then current Interest Accrual Period.

960 (a) During the Daily Mode, the Remarketing Agent will establish the Daily Rate  
961 by 10:00 A.M. on each Rate Determination Date. The Daily Rate for any day during the  
962 Daily Mode that is not a Business Day will be the Daily Rate established on the  
963 immediately preceding Rate Determination Date. The Remarketing Agent will make the  
964 Daily Rate available no less frequently than once each week by Electronic Means to each  
965 Notice Party requesting such rate.

966 (b) During the Weekly Mode, the Remarketing Agent will establish the Weekly  
967 Rate by 4:00 P.M. on each Rate Determination Date. The Weekly Rate will be in effect  
968 during the applicable Weekly Rate Period. The Remarketing Agent will make the  
969 Weekly Rate available no later than 5:00 P.M. on the Business Day following the Rate  
970 Determination Date by Electronic Means to each Notice Party requesting such rate.

971 (c) During the Weekly Mode, if permitted by the applicable Remarketing  
972 Agreement, the county may change the day of the week specified in clause (iii) (A) of the  
973 definition of "Rate Determination Date" for the Bonds, subject to the approval of the  
974 Remarketing Agent. The Remarketing Agent must give 30 days' notice of any such  
975 change to the Notice Parties.

976 **SECTION 2.7. Determination of Term Rates and Fixed Rates.**

977 (a) Term Rates. Except as provided in Section 2.8 of this ordinance, once the

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978 Bonds are changed to the Term Rate Mode, the Bonds will continue in the Term Rate  
979 Mode until changed to another Interest Rate Mode in accordance with Section 2.10 of  
980 this ordinance. The Term Rate will be determined by the Remarketing Agent not later  
981 than 4:00 P.M. on the Rate Determination Date, and the Remarketing Agent will make  
982 the Term Rate available by Electronic Means to any Notice Party requesting such rate.  
983 The Term Rate will be the minimum rate that, in the sole judgment of the Remarketing  
984 Agent, would result in a sale of the Bonds at a price equal to the principal amount thereof  
985 on the Rate Determination Date for the Interest Period selected by the county in writing  
986 delivered to the Remarketing Agent before such Rate Determination Date. If a new  
987 Interest Period is not selected by the county prior to a Rate Determination Date, the new  
988 Interest Period will be the same length as the current Interest Period (or such lesser period  
989 as may be necessary to comply with the last sentence of this paragraph). The  
990 Remarketing Agent will make the Term Rate available by Electronic Means after 5:00  
991 P.M. on the Rate Determination Date to any Notice Party requesting such Term Rate.  
992 Upon request of any Notice Party, the Paying Agent will give notice of such rate by  
993 Electronic Means. No Interest Period in the Term Rate Mode may extend beyond the  
994 applicable Maturity Date.

995 (b) Fixed Rates. The Remarketing Agent will determine the Fixed Rate for the  
996 Bonds being converted to the Fixed Rate Mode in the manner and at the times as follows:  
997 not later than 4:00 P.M. on the applicable Rate Determination Date, the Remarketing  
998 Agent will determine the Fixed Rate (or Rates, if the Bonds will have Serial Maturity  
999 Dates in accordance with Section 2.10(b)(v) of this ordinance). Except as set forth in  
1000 Section 2.10(b)(v) of this ordinance, the Fixed Rate will be the minimum interest rate

1001 that, in the sole judgment of the Remarketing Agent, will result in a sale of the Bonds at a  
1002 price equal to the principal amount thereof on the Rate Determination Date. The  
1003 Remarketing Agent will make the Fixed Rate available by Electronic Means after 5:00  
1004 P.M. on the Rate Determination Date to any Notice Party requesting such Fixed Rate.  
1005 Upon request of any Notice Party the Paying Agent will give notice of such rate by  
1006 Electronic Means. Subject to Section 2.10(b)(v) of this ordinance, the Fixed Rate so  
1007 established will remain in effect until the Maturity Date of such Bonds.

1008        SECTION 2.8. Alternate Rates. The following provisions will apply in the  
1009 event (i) the Remarketing Agent fails or is unable to determine the interest rate or Interest  
1010 Period for the Bonds other than when the Bonds are in the LIBOR Indexed Mode, (ii) the  
1011 method by which the Remarketing Agent determines the interest rate or Interest Period  
1012 with respect to the Bonds (or the selection by the county of the Interest Periods for Bonds  
1013 in the Term Rate Mode) is held to be unenforceable by a court of law of competent  
1014 jurisdiction or (iii) if the Remarketing Agent suspends its remarketing effort in  
1015 accordance with the Remarketing Agreement. These provisions will continue to apply  
1016 until such time as the Remarketing Agent (or the county if applicable) again makes such  
1017 determinations. In the case of clause (ii) above, the Remarketing Agent (or the county, if  
1018 applicable) will again make such determination at such time as there is delivered to the  
1019 Remarketing Agent and the county an opinion of Bond Counsel to the effect that there  
1020 are no longer any legal prohibitions against such determinations. The following are the  
1021 methods by which the interest rates and, in the case of the Flexible and Term Rate  
1022 Modes, the Interest Periods, will be determined for the Bonds as to which any of the  
1023 events described in clauses (i), (ii) or (iii) are applicable. Such methods will be

1024 applicable from and after the date any of the events described in clauses (i), (ii) or (iii)  
1025 first apply to the Bonds until such time as the events described in clauses (i), (ii) or (iii)  
1026 no longer apply to the Bonds. These provisions will not apply if the county fails to select  
1027 an Interest Period for the Bonds in the Term Rate Mode for a reason other than as  
1028 described in clause (ii) above.

1029 (a) For Flexible Rate Bonds, the next Interest Period will be from, and including,  
1030 the first day following the last day of the current Interest Period for the Bonds to, but  
1031 excluding, the next succeeding Business Day, and thereafter will commence on each  
1032 Business Day and extend to, but exclude, the next succeeding Business Day. For each  
1033 such Interest Period, the interest rate for the Bonds will be the applicable Alternate Rate  
1034 in effect on the Business Day that begins an Interest Period.

1035 (b) If the Bonds are in the Daily Mode or the Weekly Mode, then the Bonds will  
1036 bear interest during each subsequent Interest Period at the Alternate Rate in effect on the  
1037 first day of such Interest Period.

1038 If the Bonds are then in the Term Rate Mode, then the Bonds will automatically  
1039 convert to Flexible Rate Bonds, with an Interest Period commencing on the first day  
1040 following the last day of the current Interest Period for the Bonds to, but excluding, the  
1041 next succeeding Business Day and thereafter will commence on each Business Day and  
1042 extend to, but exclude, the next succeeding Business Day. For each such Interest Period,  
1043 the interest rate for the Bonds will be the applicable Alternate Rate in effect at the  
1044 beginning of each such Interest Period.

1045 **SECTION 2.9. Determination of LIBOR Index Rates.** During each LIBOR  
1046 Interest Period, the Bonds will bear interest at the LIBOR Index Rate, which will be the

1047 rate of interest per annum determined by the Registrar on the Rate Determination Date to  
1048 be the sum of (a) 67% of the Three-Month LIBOR Rate and (b) a rate per annum  
1049 determined on or before the Conversion Date by the Remarketing Agent, in its sole  
1050 discretion based on market conditions at the time such rate is determined, which, when  
1051 added to the rate calculated pursuant to clause (a) results in a LIBOR Index Rate  
1052 necessary to sell the Bonds at 100% of the principal amount on the Conversion Date.  
1053 The LIBOR Index Rate will be rounded upward or downward to the fifth decimal place  
1054 and the LIBOR Index Rate may not exceed the Maximum Rate. Upon the request of the  
1055 Owner or Beneficial Owner of any Bond, the Registrar will provide the LIBOR Index  
1056 Rate then in effect and, if determined, the LIBOR Index Rate that will become effective  
1057 for the next LIBOR Interest Period. The Registrar's determination of any LIBOR Index  
1058 Rate, and its calculation of the amount of interest for any LIBOR Interest Period, will be  
1059 final and binding in the absence of manifest error.

1060       **SECTION 2.10. Changes in Interest Rate Mode.** Subject to the provisions of  
1061 this Section, the county may effect a change in Interest Rate Mode with respect to the  
1062 Bonds by following the procedures set forth in this Section. If a change in Interest Rate  
1063 Mode will make the Bonds subject to Rule 15c2-12 promulgated under the Securities  
1064 Exchange Act of 1934, as amended, it will be a condition to the conversion that the  
1065 county execute a continuing disclosure undertaking satisfying the requirements of such  
1066 Rule and cooperate with the Remarketing Agent, if any, and any Underwriter (as defined  
1067 in such Rule) in satisfying the requirements of such Rule.

1068       (a) Changes to Interest Rate Modes Other Than to Fixed Rate Mode. All or a  
1069 portion of the Bonds (other than Bonds in the Fixed Rate Mode) may be changed from



1070 one Interest Rate Mode to another Interest Rate Mode (other than the Fixed Rate Mode)

1071 as follows:

1072 (i) Conversion Notice; Notice to Owners. No later than a Business Day  
1073 that is at least seven Business Days prior to the date on which the Registrar is required to  
1074 notify the registered owners (or such shorter time as may be agreed to by the county, the  
1075 Registrar and the Remarketing Agent) preceding the proposed Conversion Date, the  
1076 county must give written notice to the Notice Parties of its intention to change the Interest  
1077 Rate Mode from the Interest Rate Mode then prevailing (for purposes of this Section, the  
1078 "Current Mode") to another Interest Rate Mode (for purposes of this Section, the "New  
1079 Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the  
1080 length of the initial Interest Period as set by the county. Such notice must be  
1081 accompanied by a Favorable Opinion of Bond Counsel. In the case of a change to a  
1082 Term Rate Mode or from one Term Rate Mode to another Term Rate Mode, such notice  
1083 to the Notice Parties must also state whether a Liquidity Facility or Credit Enhancement  
1084 will be in effect with respect to the Bonds following such change and the identity of any  
1085 provider of a Liquidity Facility or Credit Enhancement. Notice of the proposed change in  
1086 Interest Rate Mode must be given by the Registrar to the Owners of the Bonds not later  
1087 than the 20th day next preceding the Conversion Date; provided, however, that no notice  
1088 need be given for a Conversion Date occurring on the first Business Day following the  
1089 last day of a Flexible Rate Period or Term Rate Mode or on a Substitution Date. Such  
1090 notice must state: (1) the Interest Rate Mode to which the conversion will be made and  
1091 the Conversion Date; (2) in the case of a change from any Interest Rate Mode that the  
1092 Bonds will be subject to mandatory purchase on the Conversion Date (regardless of

1093 whether all of the conditions to the change in the Interest Rate Mode are satisfied) and the  
1094 Purchase Price of the Bonds; and (3) if the Book-Entry System is no longer in effect,  
1095 information with respect to required delivery of bond certificates and payment of  
1096 Purchase Price.

1097           (ii) Determination of Interest Rates. The New Mode will commence on  
1098 the Conversion Date and the interest rate(s) (together, in the case of a change to the  
1099 Flexible Mode, with the Interest Period(s)) will be determined by the Remarketing Agent  
1100 (or the county in the case of the Interest Period for the Bonds converted to the Term Rate  
1101 Mode) in the manner provided in Sections 2.5, 2.6 and 2.7 of this ordinance, as  
1102 applicable. Such determination will be conclusive and binding upon the county, the  
1103 Registrar, and the Owners of the Bonds to which such rate will be applicable.

1104           (iii) Conditions Precedent:

1105           (A) The Conversion Date will be:

1106                   (1) in the case of a change from the Flexible Mode to another  
1107 Interest Rate Mode, the next Mandatory Purchase Date for all of the Flexible Rate Bonds;

1108                   (2) in the case of a change from the Daily or Weekly Mode to  
1109 another Interest Rate Mode (other than to the Daily or Weekly Mode), any Interest  
1110 Payment Date, and in the case of a change from the Daily or Weekly Mode to the Daily  
1111 or Weekly Mode, any Business Day; and

1112                   (3) in the case of a change from the Term Rate Mode to another  
1113 Interest Rate Mode, or from a Term Rate Period to a Term Rate Period of a different  
1114 duration, or from a LIBOR Indexed Mode to another Interest Rate Mode, the Conversion  
1115 Date will be limited to any Interest Payment Date on which the Bonds are subject to

1116 optional redemption or to the last Interest Payment Date of the current Term Rate Period,  
1117 as the case may be. Such Bonds will be purchased on such Conversion Date at a  
1118 Purchase Price equal to 100% of the principal amount thereof, provided that if such  
1119 Bonds would otherwise be subject to optional redemption on such Conversion Date at a  
1120 Redemption Price of more than 100% of the principal amount thereof, such Bonds will be  
1121 purchased at a Purchase Price equal to such Redemption Price.

1122 (B) If the Bonds to be converted are in the Flexible Mode, no Interest  
1123 Period set after delivery by the county to the Remarketing Agent of the notice of the  
1124 intention to change the Interest Rate Mode will extend beyond the day preceding the  
1125 proposed Conversion Date.

1126 (C) The following items must be delivered to the Registrar, the Tender  
1127 Agent, and the Remarketing Agent, if any, on or prior to each Conversion Date:

1128 (1) a Favorable Opinion of Bond Counsel dated the Conversion  
1129 Date and addressed to the Notice Parties;

1130 (2) if there is to be a Liquidity Facility or an Alternate Liquidity  
1131 Facility or a Credit Enhancement or an Alternate Credit Enhancement delivered in  
1132 connection with such change, the items required by Section 3.13(d) of this ordinance; and

1133 (3) a Rating Confirmation Notice, or if the Conversion Date is a  
1134 Mandatory Purchase Date, a notice from the Rating Agencies of the rating(s) to be  
1135 assigned the Bonds on such Conversion Date.

1136 (D) It is a condition to the conversion of the Bonds from the LIBOR  
1137 Indexed Mode that all Bonds being converted be remarketed on the Conversion Date.

1138 (b) Change to Fixed Rate Mode. At the option of the county, all or any portion of

1139 the Bonds bearing interest at a Daily Rate, a Weekly Rate or a Flexible Rate (in an  
1140 amount that is an Authorized Denomination for the new Rate Period) may be changed to  
1141 the Fixed Rate Mode, as provided in this Section 2.10(b). On any Business Day that is at  
1142 least seven Business Days prior to the date on which the Registrar is required to notify  
1143 the registered owners (or such shorter time as may be agreed to by the county, the  
1144 Registrar and the Remarketing Agent, but in any event not less than the 20th day next  
1145 preceding the Conversion Date) before the proposed Conversion Date, the county will  
1146 give written notice to the Notice Parties stating that the Interest Rate Mode will be  
1147 changed to the Fixed Rate Mode and setting forth the proposed Conversion Date. Such  
1148 notice will also state whether or not there will be Credit Enhancement with respect to the  
1149 Bonds following such change and, if so, the identity of the Credit Provider. In addition,  
1150 such notice will state whether some or all of the Bonds to be converted will be converted  
1151 to Serial Bonds and, if so, the applicable Serial Maturity Dates and Serial Payments, all  
1152 as determined pursuant to subsection (v) of this subsection (b). Such notice must be  
1153 accompanied by a Favorable Opinion of Bond Counsel. Any such change in Interest  
1154 Rate Mode will be made as follows:

1155 (i) Conversion Date. The Conversion Date will be:

1156 (A) in the case of a change from the Flexible Mode, the next Mandatory  
1157 Purchase Date for the Flexible Rate Bonds;

1158 (B) in the case of a change from the Daily or Weekly Mode, any Interest  
1159 Payment Date; and

1160 (C) in the case of a change from the Term Rate Mode or the LIBOR  
1161 Indexed Mode, the Conversion Date will be limited to any Interest Payment Date on

1162 which the Bonds are subject to optional redemption or to the next Mandatory Purchase  
1163 Date for the Term Rate Bonds, as the case may be. Such Bonds will be purchased on  
1164 such Conversion Date at a Purchase Price equal to 100% of the principal amount thereof;  
1165 provided, however, that if such Bonds would otherwise be subject to optional redemption  
1166 on such Conversion Date at a Redemption Price of more than 100% of the principal  
1167 amount thereof, such Bonds will be purchased at a Purchase Price equal to that  
1168 Redemption Price.

1169 (ii) Notice to Owners. Not later than the 20th day next preceding the  
1170 Conversion Date, the Registrar will mail, in the name of the county, a notice of such  
1171 proposed change to the Owners of the Bonds stating that the Interest Rate Mode will be  
1172 changed to the Fixed Rate Mode and the proposed Conversion Date. Such notice must  
1173 also state that such Owner is required to tender such Owner's Bonds for purchase on such  
1174 proposed Conversion Date regardless of whether all of the conditions to the change to the  
1175 Fixed Rate Mode are satisfied.

1176 (iii) General Provisions Applying to Change to Fixed Rate Mode. The  
1177 change to the Fixed Rate Mode will not occur unless the following items are delivered to  
1178 the county, the Registrar, the Tender Agent, the Credit Provider, if any, and the  
1179 Remarketing Agent, if any, on or prior to the Conversion Date:

1180 (A) a Favorable Opinion of Bond Counsel dated the Conversion Date and  
1181 addressed to the county, the Registrar and the Remarketing Agent, if any;

1182 (B) if there is to be Credit Enhancement delivered in connection with the  
1183 change, the items required by Section 3.13(d) of this ordinance in connection with the  
1184 delivery of an Alternate Credit Enhancement, and

1185 (C) notice from the Rating Agencies of the rating(s) to be assigned the  
1186 Bonds on such Conversion Date.

1187 (iv) Determination of Interest Rate. The Fixed Rate (or rates in the case  
1188 of Serial Bonds) for the Bonds to be converted to the Fixed Rate Mode will be  
1189 established by the Remarketing Agent on the Rate Determination Date applicable thereto  
1190 pursuant to the provisions of Section 2.7(b) of this ordinance. Such Rate will remain in  
1191 effect until the Maturity Date of the Bonds.

1192 Such determination will be conclusive and binding upon the county, the Registrar,  
1193 the Credit Provider, if any, and the Owners of the Bonds to which such rate will apply.  
1194 Not later than 5:00 P.M. on the date of determination of the Fixed Rate, the Remarketing  
1195 Agent will provide notice of such rate to the Registrar by Electronic Means and to the  
1196 Credit Provider and the county by telephone.

1197 (v) Serialization and Sinking Fund; Price. Upon conversion of the Bonds  
1198 to the Fixed Rate Mode, the Bonds will be remarketed at par, will mature on the same  
1199 Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any,  
1200 and special redemption provisions, if any, as set forth in this ordinance for any prior  
1201 Interest Rate Mode; provided, however, that if the county delivers to the Registrar a  
1202 Favorable Opinion of Bond Counsel, the county may elect to (1) have some of the Bonds  
1203 be Serial Bonds and some subject to sinking fund redemption even if such Bonds were  
1204 not Serial Bonds or subject to mandatory sinking fund redemption prior to such change,  
1205 (2) change the optional redemption dates or premiums set forth in Section 3.3(b) of this  
1206 ordinance, and (3) sell some or all of the Bonds at a premium or a discount to par.

1207 (c) Failure to Satisfy Conditions Precedent to an Interest Rate Conversion.

1208 In the event the conditions described above in subsections (a) or (b) of this Section 2.10,  
1209 as applicable, have not been satisfied by the applicable Conversion Date, then the New  
1210 Mode will not take effect (although, except in the case of a failed conversion from the  
1211 LIBOR Indexed Mode, any mandatory purchase will be made on such date if notice has  
1212 been sent to the Owners stating that such Bonds would be subject to mandatory purchase  
1213 on such date). If the failed change in Interest Rate Mode was from the Flexible Mode,  
1214 the Bonds will remain in the Flexible Mode with interest rates and Interest Periods to be  
1215 established by the Remarketing Agent on the failed Conversion Date in accordance with  
1216 Section 2.5 of this ordinance. If the failed change in Interest Rate Mode was from the  
1217 Daily Mode, the Bonds will remain in the Daily Mode, and if the failed change in Interest  
1218 Rate Mode was from the Weekly Mode, the Bonds will remain in the Weekly Mode, in  
1219 each case with interest rates established in accordance with the applicable provisions of  
1220 Section 2.6 of this ordinance on and as of the failed Conversion Date. If the failed  
1221 change in Interest Rate Mode was from the Term Rate Mode, then the Bonds will stay in  
1222 the Term Rate Mode for an Interest Period ending on the following Interest Payment Date  
1223 for the Bonds in the Term Rate Mode, and the interest rate will be established by the  
1224 Remarketing Agent on the failed Conversion Date in accordance with Section 2.7(a) of  
1225 this ordinance. If the failed change in Interest Rate Mode was from the LIBOR Indexed  
1226 Mode, then the Bonds will not be subject to mandatory tender, and the Bonds will remain  
1227 in the LIBOR Indexed Mode, with interest rates established in accordance with the  
1228 applicable provisions of Section 2.10 of this ordinance on and as of the failed Conversion  
1229 Date.

1230 (d) Rescission of Election. Notwithstanding anything herein to the contrary, the

1231 county may rescind any election by it to change an Interest Rate Mode as described  
1232 above prior to the Conversion Date by giving written notice thereof to the Notice Parties  
1233 prior to 10:00 A.M. on the Business Day preceding such Conversion Date. If the  
1234 Registrar receives notice of such rescission prior to the time the Registrar has given  
1235 notice to the Owners of the Bonds, then such notice of change in Interest Rate Mode will  
1236 be of no force and effect. If the Registrar receives notice from the county of rescission of  
1237 an Interest Rate Mode change after the Registrar has given notice thereof to the Owners  
1238 of the Bonds, then if the proposed Conversion Date would have been a Mandatory  
1239 Purchase Date, such date will continue to be a Mandatory Purchase Date except if the  
1240 conversion is from the LIBOR Indexed Mode. If the proposed change in Interest Rate  
1241 Mode was from the Flexible Mode, the Bonds will remain in the Flexible Mode with  
1242 interest rates and Interest Periods to be established by the Remarketing Agent on the  
1243 proposed Conversion Date in accordance with Section 2.5 of this ordinance. If the  
1244 proposed change in Interest Rate Mode was from the Daily Mode, the Bonds will remain  
1245 in the Daily Mode, and if the proposed change in Interest Rate Mode was from the  
1246 Weekly Mode, the Bonds will remain in the Weekly Mode, in each case with interest  
1247 rates established in accordance with the applicable provisions of Section 2.6 of this  
1248 ordinance on and as of the proposed Conversion Date. If the proposed change in Interest  
1249 Rate Mode was from the Term Rate Mode, then the Bonds will stay in the Term Rate  
1250 Mode for an Interest Period ending on the following Interest Payment Date for the Bonds  
1251 in the Term Rate Mode, and the interest rate will be established by the Remarketing  
1252 Agent on the proposed Conversion Date in accordance with Section 2.7(a) of this  
1253 ordinance. If the Remarketing Agent is unable to determine the interest rate on the



1254 proposed Conversion Date, the provisions of Section 2.8 of this ordinance will apply in  
1255 effect at the beginning of each such Interest Period. If the proposed change in Interest  
1256 Rate Mode was from the LIBOR Indexed Mode, the Bonds will remain in the LIBOR  
1257 Indexed Mode, with interest rates established in accordance with the applicable  
1258 provisions of Section 2.10 of this ordinance on and as of the proposed Conversion Date.

1259 **ARTICLE III**

1260 **REDEMPTION AND PURCHASE OF**

1261 **BONDS BEFORE MATURITY**

1262 **SECTION 3.1. Optional Redemption of Flexible Rate Bonds.** Bonds in the  
1263 Flexible Mode are not subject to optional redemption prior to their respective Purchase  
1264 Dates. Bonds in the Flexible Mode will be subject to redemption at the option of the  
1265 county in whole or in part on their respective Purchase Dates at a redemption price equal  
1266 to the principal amount thereof.

1267 **SECTION 3.2. Optional Redemption of Bonds in the Daily Mode or the**  
1268 **Weekly Mode.** Bonds in the Daily Mode or the Weekly Mode are subject to optional  
1269 redemption by the county, in whole or in part (and if in part, with any Liquidity Provider  
1270 Bonds redeemed first), in Authorized Denominations on any Business Day, at a  
1271 redemption price equal to the principal amount thereof, plus, accrued interest, if any, to  
1272 the Redemption Date. Liquidity Provider Bonds will be redeemed in accordance with the  
1273 applicable Reimbursement Agreement. So long as a Credit Enhancement is in effect for  
1274 Bonds in the Daily Mode or Weekly Mode, no optional redemption of such Bonds will be  
1275 permitted without (i) the prior written consent of the Credit Provider or (ii) the deposit by  
1276 the county with the Registrar on or prior to the Redemption Date of funds sufficient to

1277 reimburse the Credit Provider for the draw on the Credit Enhancement to pay the  
1278 Redemption Price for such Bonds.

1279           **SECTION 3.3. Optional Redemption of Bonds in the Term Rate or the Fixed**  
1280 **Rate Mode.**

1281           (a) Bonds in a Term Rate Mode will be subject to redemption, in whole or in  
1282 part, on their individual Mandatory Purchase Dates, at the option of the county at a  
1283 redemption price equal to the principal amount thereof.

1284           (b) The county, in connection with a change to a Long-Term Mode, may  
1285 establish the redemption provisions for any such Bonds so changed to a Long-Term  
1286 Mode at any time without premium; provided that notice describing such provisions will  
1287 be submitted to the Paying Agent, the Registrar and the Remarketing Agent, together  
1288 with a Favorable Opinion of Bond Counsel, addressed to them.

1289           **SECTION 3.4. Optional Redemption of Bonds in the LIBOR Indexed Mode.**

1290 Bonds in the LIBOR Indexed Mode are subject to redemption prior to their stated  
1291 maturity, at the option of the county, in whole or in part, in such amounts as may be  
1292 specified by the county on any Interest Payment Date on and after the fifth anniversary of  
1293 the first day of the LIBOR Indexed Mode.

1294           **SECTION 3.5. Notice and Effect of Redemption.**

1295           (a) Timing of Notice. The county will give the Registrar sufficient notice of any  
1296 redemption of Bonds to permit the Registrar to give notice to the Securities Depository at  
1297 least 30 days prior to the proposed Redemption Date for Bonds in any Long-Term Mode  
1298 and at least 15 days prior to the proposed Redemption Date for Bonds in any Short-Term  
1299 Mode. For so long as the Book-Entry System is in effect, notice of any redemption will

1300 be provided in accordance with the operational arrangements of the Securities Depository  
1301 referred to in the Letter of Representations, and, except as provided in an undertaking to  
1302 provide continuing disclosure under the Rule, the county will provide no additional  
1303 published or other notice. If the Bonds are not held in a Book-Entry System, the  
1304 Registrar will give written notice of any redemption of Bonds by first class mail, postage  
1305 prepaid, not less than 30 days (for Bonds in any Long-Term Mode) or not less than 15  
1306 days (for Bonds in any Short-Term Mode) nor more than 60 days before the proposed  
1307 Redemption Date to the registered owners of Bonds that are to be redeemed at their last  
1308 addresses shown on the Bond Register.

1309       (b) Contents of Notice. Each notice of redemption will state: (1) the Redemption  
1310 Date, (2) the Redemption Price, (3) the CUSIP numbers of the Bonds being redeemed,  
1311 (4) if less than all outstanding Bonds are to be redeemed, identification information and  
1312 principal amounts of the Bonds to be redeemed, (5) the dated date of the Bonds, (6) the  
1313 rate of interest for each Bond being redeemed, (7) that the Bonds are to be surrendered  
1314 for payment at the principal office of the Registrar, (8) any condition to the redemption,  
1315 (9) that on the Redemption Date, upon the satisfaction of any such condition, the  
1316 Redemption Price will become due and payable upon each Bond or portion called for  
1317 redemption and interest will cease to accrue from the Redemption Date, (10) the date of  
1318 the notice, and (11) any other information needed to identify the Bonds being redeemed.  
1319 The requirements of this Section will be deemed complied with when notice is mailed,  
1320 whether or not it is actually received by the owner.

1321       (c) Notice of Redemption on Mandatory Purchase Date. Notwithstanding  
1322 anything herein to the contrary, no notice of redemption is required to be given for a

1323 redemption occurring on a Mandatory Purchase Date.

1324 (d) Effect of Redemption. Unless any condition for redemption has not been  
1325 satisfied, the county will provide funds to the Registrar that, in addition to other money, if  
1326 any, held by the Registrar, will be sufficient to redeem on the Redemption Date all Bonds  
1327 to be redeemed. From the Redemption Date, interest on all such paid and redeemed  
1328 Bonds will cease to accrue.

1329 **SECTION 3.6. Optional Tenders of Bonds in the Daily Mode or the Weekly**  
1330 **Mode.** Subject to Section 3.11 of this ordinance, the Beneficial Owners of Bonds in a  
1331 Daily Mode or a Weekly Mode may elect to have their Bonds (or portions of those Bonds  
1332 in amounts equal to an Authorized Denomination) purchased on any Business Day at a  
1333 price equal to the Purchase Price, upon delivery of a Tender Notice to the Tender Agent  
1334 by the Tender Notice Deadline. Immediately upon receipt of a Tender Notice, the Tender  
1335 Agent will notify the Remarketing Agent and provide the Remarketing Agent with a copy  
1336 of the Tender Notice.

1337 **SECTION 3.7. Mandatory Purchase on Mandatory Purchase Date.** The  
1338 Bonds are subject to mandatory purchase on each Mandatory Purchase Date. The  
1339 Registrar will give notice of the mandatory purchase by mail to the Owners of the Bonds  
1340 subject to mandatory purchase no fewer than 20 days prior to the Mandatory Purchase  
1341 Date described in clauses (iii), (iv), (v), (vi) and (viii) of the definition of Mandatory  
1342 Purchase Date and no fewer than 3 days prior to the Mandatory Purchase Date described  
1343 in clause (vii) of the definition of Mandatory Purchase Date. No notice will be given of  
1344 the Mandatory Purchase Date at the end of each Interest Period for Flexible Rate Bonds  
1345 or at the end of Term Rate Period for Bonds in the Term Rate Mode. Any notice will

1346 state the Mandatory Purchase Date, the Purchase Price, the numbers of the Bonds to be  
1347 purchased if less than all of the Bonds owned by such Owner are to be purchased, and  
1348 that interest on Bonds subject to mandatory purchase will cease to accrue from and after  
1349 the Mandatory Purchase Date. The failure to mail such notice with respect to any Bond  
1350 will not affect the validity of the mandatory purchase of any other Bond with respect to  
1351 which notice was so mailed. Any notice mailed will be conclusively presumed to have  
1352 been given, whether or not actually received by any Owner or Beneficial Owner. The  
1353 Registrar will also give a copy of such notice to the Rating Agencies.

1354 **SECTION 3.8. Remarketing of Bonds; Notices.**

1355 (a) Remarketing of Bonds. The Remarketing Agent will use its best efforts, in  
1356 accordance with the terms and conditions of the Remarketing Agreement, to offer for sale  
1357 at par up to the Maximum Rate:

1358 (i) all Bonds or portions thereof as to which notice of tender pursuant to  
1359 Section 3.6 of this ordinance has been given;

1360 (ii) all Bonds required to be purchased on a Mandatory Purchase Date  
1361 described in clauses (i), (ii), (iii), (iv), (v), (vii) or (viii) of the definition thereof;

1362 (iii) any Liquidity Provider Bonds (A) purchased on a Purchase Date  
1363 described in clause (i) or (ii) above, (B) with respect to which the Liquidity Provider has  
1364 provided notice to the Tender Agent, Registrar and Remarketing Agent that it has  
1365 reinstated the Available Amount, (C) with respect to which an Alternate Liquidity  
1366 Facility and Alternate Credit Enhancement is in effect (if such bonds were secured by a  
1367 Credit Enhancement prior to becoming Liquidity Provider Bonds, which Credit  
1368 Enhancement is no longer in effect), or (D) that are being marketed as Fixed Rate Bonds;

1369 and

1370 (iv) any County Bonds; provided, however, that the Remarketing Agent  
1371 will not remarket Bonds held by or for the account of the county, or any affiliate of the  
1372 county without a Favorable Opinion of Bond Counsel addressed to the county, the  
1373 Registrar, the Tender Agent and the Remarketing Agent. In connection with the  
1374 remarketing of any Bonds with respect to which notice of redemption or notice of  
1375 mandatory purchase has been given, the Remarketing Agent will notify each person to  
1376 which such Bonds are remarketed of such notice of redemption or notice of mandatory  
1377 purchase.

1378 (b) Notice of Remarketing; Registration Instructions; New Bonds. On each date  
1379 on which a Bond is to be purchased:

1380 (i) the Remarketing Agent will notify the Tender Agent by Electronic  
1381 Means by 11:30 A.M. of the principal amount of tendered Bonds it has remarketed;

1382 (ii) unless the Remarketing Agent has delivered the notice described in  
1383 clause (i) above, the Remarketing Agent will notify the Tender Agent by Electronic  
1384 Means not later than 1:00 P.M. of such information as may be necessary to register and  
1385 deliver Bonds remarketed with respect thereto;

1386 (iii) the Remarketing Agent will cause the proceeds of its remarketing of  
1387 tendered Bonds to be paid to the Tender Agent in immediately available funds not later  
1388 than 11:45 A.M. on the Purchase Date for such Bonds; and

1389 (iv) if the Bonds are no longer in the Book-Entry System, the Tender  
1390 Agent will authenticate new Bonds for the respective purchasers thereof, which will be  
1391 available for pick up by the Remarketing Agent not later than 2:30 P.M.

1392 (c) Draw on Liquidity Facility. On each Purchase Date, (i) if the Remarketing  
1393 Agent has given notice to the Tender Agent pursuant to clause (b)(i) above that it has  
1394 been unable to remarket any of the Bonds or (ii) if the Tender Agent has not received  
1395 from the Remarketing Agent an amount sufficient to pay the Purchase Price of tendered  
1396 Bonds by 11:45 A.M., then the Tender Agent will draw on the Liquidity Facility in  
1397 accordance with its terms (or if no Liquidity Facility is in effect, request funds from the  
1398 county) by 12:00 Noon in an amount equal to the Purchase Price of all such Bonds that  
1399 have not been successfully remarketed, requesting payment not later than 2:30 P.M. on  
1400 that Purchase Date. If a Liquidity Facility is in effect, the Tender Agent will also give the  
1401 county notice by 2:30 P.M. on the Purchase Date if it does not have funds in the  
1402 Remarketing Proceeds Account and the Liquidity Facility Purchase Account sufficient to  
1403 pay the Purchase Price of Bonds tendered on such Purchase Date. Any draw on a  
1404 Liquidity Facility to be made on a Substitution Date will be on the Liquidity Facility  
1405 being replaced. In no event will the Liquidity Facility be drawn on to purchase any  
1406 Bonds not covered by the Liquidity Facility, any Liquidity Provider Bonds or any County  
1407 Bonds.

1408 **SECTION 3.9. Source of Funds for Purchase of Bonds.** By 3:00 P.M. on the  
1409 date on which a Bond is to be purchased, and except as set forth in Section 3.11(b)(ii) of  
1410 this ordinance, the Tender Agent will purchase tendered Bonds from the tendering  
1411 Owners at the applicable Purchase Price by wire transfer in immediately available funds.  
1412 Funds for the payment of such Purchase Price will be derived solely from the following  
1413 sources in the order of priority indicated, and none of the Tender Agent, the Registrar  
1414 nor the Remarketing Agent will be obligated to provide funds from any other source:

1415 (a) immediately available funds on deposit in the Remarketing Proceeds

1416 Account;

1417 (b) immediately available funds on deposit in the Liquidity Facility Purchase

1418 Account; and

1419 (c) money of the county on deposit in the County Purchase Account.

1420 If no Liquidity Facility is in effect, then the county will be obligated to deposit

1421 amounts into the County Purchase Account sufficient to pay the Purchase Price to the

1422 extent that amounts on deposit in the Remarketing Proceeds Account are insufficient

1423 therefor, and the county's failure to make such a deposit will constitute an event of

1424 default under Section 6.1(e). If a Liquidity Facility is in effect, then the county will be

1425 obligated, within 365 days after a Purchase Date on which the Liquidity Provider fails to

1426 honor a conforming draw on the Liquidity Facility to pay the Purchase Price, to deposit

1427 amounts into the County Purchase Account sufficient to pay the Purchase Price to the

1428 extent that amounts on deposit in the Remarketing Proceeds Account and the Liquidity

1429 Facility Purchase Account are insufficient therefor, and the county's failure to make such

1430 a deposit will constitute an event of default under Section 6.1(f). For purposes of this

1431 paragraph, a Liquidity Facility will be deemed to be in effect so long as the Liquidity

1432 Provider is contractually obligated to honor future draws on the Liquidity Facility

1433 pursuant to Section 3.8(c) of this ordinance, even if the Liquidity Provider in fact has

1434 failed to honor past draws on the Liquidity Facility and has declared its intent not to

1435 honor future draws on the Liquidity Facility or otherwise is in breach of its obligations

1436 under the Liquidity Facility.

1437 SECTION 3.10. Delivery of Bonds. On each date on which a Bond is to be



1438 purchased, that Bond will be delivered as follows:

1439 (a) Bonds sold by the Remarketing Agent and described in Section 3.9(a) of this  
1440 ordinance will be delivered by the Remarketing Agent to the purchasers of those Bonds  
1441 by 3:00 P.M.;

1442 (b) Bonds purchased by the Tender Agent with money described in Section  
1443 3.9(b) of this ordinance will be registered immediately in the name of the Liquidity  
1444 Provider or its nominee (which may be the Securities Depository) on or before 3:00 P.M.;

1445 and

1446 (c) Bonds purchased by the county with money described in Section 3.9(c) of this  
1447 ordinance will be registered immediately in the name of the county or its nominee on or  
1448 before 3:00 P.M. Bonds so owned by the county will continue to be Outstanding under  
1449 the terms of this ordinance and subject to all of the terms and conditions of this ordinance  
1450 and will be subject to remarketing by the Remarketing Agent.

1451 **SECTION 3.11. Book-Entry Tenders.**

1452 (a) Notwithstanding any other provision of this Article III to the contrary, all  
1453 tenders for purchase during any period in which the Bonds are registered in the name of  
1454 Cede & Co. (or the nominee of any successor Securities Depository) will be subject to the  
1455 terms and conditions set forth in the Letter of Representations and to any regulations  
1456 promulgated by DTC (or any successor Securities Depository). For so long as the Bonds  
1457 are registered in the name of Cede & Co., as nominee for DTC, the tender option rights of  
1458 Owners of Bonds may be exercised only by DTC by giving notice of its election to tender  
1459 Bonds or portions thereof at the times and in the manner described above. Beneficial  
1460 Owners will not have any rights to tender Bonds directly to the Tender Agent.

1461 Procedures under which a Beneficial Owner may direct a Direct DTC Participant or  
1462 DTC, or an Indirect DTC Participant acting through a Direct DTC Participant, to exercise  
1463 a tender option right in respect of Bonds or portions thereof in an amount equal to all or a  
1464 portion of such Beneficial Owner's beneficial ownership interest therein will be governed  
1465 by standing instructions and customary practices determined by such Direct DTC  
1466 Participant or Indirect DTC Participant. For so long as the Bonds are registered in the  
1467 name of Cede & Co., as nominee for DTC, delivery of Bonds required to be tendered for  
1468 purchase will be effected by the transfer on the applicable Purchase Date of a book-entry  
1469 credit to the account of the Tender Agent of a beneficial interest in such Bonds.

1470 (b) Notwithstanding anything expressed or implied herein to the contrary, so long  
1471 as the Book-Entry System for the Bonds is maintained:

1472 (i) there will be no requirement of physical delivery to or by the Tender  
1473 Agent, the Remarketing Agent or the Registrar of:

1474 (A) any Bonds subject to mandatory or optional purchase as a condition  
1475 to the payment of the Purchase Price therefor;

1476 (B) any Bonds that have become Liquidity Provider Bonds; or

1477 (C) any remarketing proceeds of such Bonds or Liquidity Provider Bonds;

1478 and

1479 (ii) except as provided in subsection (b)(iii) below, none of the Registrar,  
1480 the Tender Agent nor the Paying Agent will have any responsibility for paying the  
1481 Purchase Price of any tendered Bond or for remitting remarketing proceeds to any  
1482 person; and

1483 (iii) the Tender Agent's sole responsibilities in connection with the

1484 purchase and remarketing of a tendered Bond will be to:

1485           (A) draw upon the applicable Liquidity Facility as provided in Section  
1486 3.8(c) hereof, , which draw will be in an amount equal to the difference between the  
1487 Purchase Price of such Bond and any remarketing proceeds received by the Remarketing  
1488 Agent in connection with a partial remarketing of such Bond, and to remit the amount so  
1489 drawn to or upon the order of the Securities Depository for the benefit of the tendering  
1490 Beneficial Owners; and

1491           (B) remit any proceeds derived from the remarketing of a Liquidity  
1492 Provider Bond to the Liquidity Provider.

1493           SECTION 3.12. No Book-Entry System. If at any time the Bonds are no longer  
1494 in the Book-Entry System, the following procedures will be followed:

1495           (a) Bonds will be delivered (with all necessary endorsements) at or before 12:00  
1496 noon on the Purchase Date at the Principal Office of the Tender Agent; provided,  
1497 however, that payment of the Purchase Price will be made pursuant to this Section only if  
1498 the Bond so delivered to the Tender Agent conforms in all respects to the description  
1499 thereof in the notice described in this Article III. Payment of the Purchase Price with  
1500 respect to purchases under this Section will be made to the Owners of tendered Bonds by  
1501 wire transfer in immediately available funds by the Tender Agent by 3:00 P.M. on the  
1502 Purchase Date.

1503           (b) If a Bond to be purchased is not delivered by the Owner to the Tender Agent  
1504 by 12:00 noon on the date on which such Bond is to be purchased, the Tender Agent will  
1505 hold any funds received for the purchase of those Bonds in the Purchase Fund uninvested  
1506 and without liability for interest and will pay such funds to the former Owners of the

1507 Bonds upon presentation of the Bonds. Such undelivered Bonds will cease to accrue  
1508 interest as to the former Owners on such purchase date, and money representing the  
1509 Purchase Price will be available against delivery of those Bonds at the Principal Office of  
1510 the Tender Agent; provided, however, that any funds so held by the Tender Agent that  
1511 remain unclaimed by the former Owner of a Bond not presented for purchase for a period  
1512 of three years after delivery of those funds to the Tender Agent, will, to the extent  
1513 permitted by law, upon request in writing by the county and the furnishing of security or  
1514 indemnity to the Tender Agent's satisfaction, be paid to the county free of any trust or  
1515 lien. Thereafter the former Owner of such Bond may look only to the county and then  
1516 only to the extent of the amounts so received by the county without any interest thereon,  
1517 and the Tender Agent will have no further responsibility with respect to such money or  
1518 payment of the purchase price of such Bonds. The Registrar will authenticate a  
1519 replacement Bond for any undelivered Bond that may then be remarketed by the  
1520 Remarketing Agent.

1521 (c) The Tender Agent will hold all Bonds properly tendered to it for purchase  
1522 hereunder as agent and bailee of, and in escrow for the benefit of, the respective Owners  
1523 of the Bonds who have so tendered such Bonds until money representing the Purchase  
1524 Price of such Bonds has been delivered to or for the account of or to the order of those  
1525 Owners.

1526 **SECTION 3.13. Credit Enhancement and Liquidity Facility.**

1527 (a) At any time when a Credit Enhancement is in effect for the Bonds, the county  
1528 may elect to terminate the Credit Enhancement without obtaining an Alternate Credit  
1529 Enhancement if the county delivers to the Registrar a Favorable Opinion of Bond

1530 Counsel. The Bonds would then be subject to mandatory tender on the Mandatory  
1531 Purchase Date described in clause (v) of the definition of Mandatory Purchase Date.  
1532 While a Credit Enhancement is in effect with respect to the Bonds, the Tender Agent or  
1533 Paying Agent, as applicable, must, on the Business Day preceding each Interest Payment  
1534 Date and Principal Payment Date, before 4:00 P.M. on such day, draw on the Credit  
1535 Enhancement in accordance with the terms thereof so as to receive thereunder and  
1536 transfer to the Registrar (if the two are separate entities) by 1:00 P.M. on said Interest  
1537 Payment Date and Principal Payment Date, an amount, in immediately available funds,  
1538 equal to the amount of interest and principal payable on the Bonds on such Interest  
1539 Payment Date and Principal Payment Date. The proceeds of such draws will be applied  
1540 to pay principal of and interest on the Bonds prior to the application of any other funds  
1541 held by the Registrar therefor. Such amounts will be held uninvested and separate and  
1542 apart from all other funds.

1543 (b) At any time when a Liquidity Facility is in effect for the Bonds, the county  
1544 may elect to terminate the Liquidity Facility without obtaining an Alternate Liquidity  
1545 Facility if the county delivers to the Registrar a Favorable Opinion of Bond Counsel. The  
1546 Bonds would then be subject to mandatory tender on the Mandatory Purchase Date  
1547 described in clause (v) of the definition of Mandatory Purchase Date. While a Liquidity  
1548 Facility is in effect with respect to the Bonds, on each date on which a Bond is to be  
1549 purchased, the Tender Agent, by demand given by Electronic Means before 12:00 Noon,  
1550 will draw on the Liquidity Facility in accordance with the terms thereof so as to receive  
1551 thereunder by 2:30 P.M. on such date an amount, in immediately available funds,  
1552 sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable

1553 the Tender Agent to pay the Purchase Price in connection therewith. The proceeds of  
1554 such draw will be paid to the Tender Agent, who will deposit said proceeds in the  
1555 Liquidity Facility Purchase Account pursuant to Section 3.14(b) of this ordinance.

1556 (c) Notwithstanding the foregoing paragraphs of this Section, if the Credit  
1557 Provider and the Liquidity Provider are the same entity, the Tender Agent will not draw  
1558 on the Credit Enhancement with respect to any payments due or made in connection with  
1559 Liquidity Provider Bonds. In no event may the Tender Agent or Paying Agent, as  
1560 applicable, draw on the Credit Enhancement with respect to any payments made or made  
1561 in connection with Bonds not covered by the Credit Enhancement or Bonds listed on the  
1562 Bond Register as owned by the county.

1563 (d) The county may provide an Alternate Credit Enhancement or Alternate  
1564 Liquidity Facility on any day on which the Bonds could otherwise be subject to  
1565 redemption at par not later than the fifth (5th) Business Day prior to the Expiration Date  
1566 of the Credit Enhancement or Liquidity Facility then in effect. The county will give the  
1567 Notice Parties written notice of the proposed substitution of an Alternate Credit  
1568 Enhancement or Alternate Liquidity Facility no less than 2 Business Days prior to the  
1569 date on which the Registrar is required to provide notice of the proposed substitution to  
1570 the Owners of the Bonds. The Registrar will give notice of such Substitution Date in  
1571 accordance with Section 3.7 of this ordinance. On or before the Substitution Date there  
1572 must be delivered to the Registrar, Paying Agent or Tender Agent, as applicable (i) the  
1573 Alternate Credit Enhancement or the Alternate Liquidity Facility in substitution for the  
1574 Credit Enhancement or Liquidity Facility then in effect, (ii) a Favorable Opinion of Bond  
1575 Counsel, (iii) a written Opinion of Counsel for the provider of the Alternate Credit

1576 Enhancement or Alternate Liquidity Facility, as applicable, to the effect that such  
1577 Alternate Credit Enhancement or Alternate Liquidity Facility is a valid, legal and binding  
1578 obligation of the provider thereof, and (iv) unless waived by such entity in a writing  
1579 delivered to the Registrar, Paying Agent, or Tender Agent, as applicable, written  
1580 evidence satisfactory to the Credit Provider and the Liquidity Provider of the provision  
1581 for purchase from the Liquidity Provider of all Liquidity Provider Bonds, at a price equal  
1582 to the principal amount thereof plus accrued and unpaid interest, and payment of all  
1583 amounts due to the Credit Provider and the Liquidity Provider under the Reimbursement  
1584 Agreement(s) on or before the effective date of such Alternate Letter of Credit or  
1585 Alternate Liquidity Facility. Upon the satisfaction of the conditions described in the  
1586 preceding sentence, the Tender Agent or Paying Agent, as applicable, will accept such  
1587 Alternate Credit Enhancement or Alternate Liquidity Facility on the close of business on  
1588 the Substitution Date and will surrender the Credit Enhancement or Liquidity Facility  
1589 then in effect to the provider thereof on the Substitution Date; provided, however, that the  
1590 Tender Agent or Paying Agent, as applicable, may not surrender the Credit Enhancement  
1591 or Liquidity Facility then in effect unless and until the Tender Agent or Paying Agent, as  
1592 applicable has received all amounts drawn thereunder. As provided in Section 3.8(c) of  
1593 this ordinance, any draw on a Liquidity Facility to be made on a Substitution Date must  
1594 be on the Liquidity Facility being replaced. If any condition to the substitution is not  
1595 satisfied, the substitution will not occur, but the Bonds will remain subject to mandatory  
1596 purchase on the proposed Substitution Date.

1597 (e) In the event of an extension of the Expiration Date, the county will give to the  
1598 Notice Parties and Owners of the affected Bonds, a written notice of the new Expiration

1599 Date at least 21 days prior to the fifth Business Day prior to the Expiration Date in effect  
1600 prior to such extension.

1601 (f) The references to Liquidity Facility and Liquidity Provider will be disregarded  
1602 during any period during which a Liquidity Facility is not in effect. The references to  
1603 Credit Enhancement and Credit Provider will be disregarded during any period during  
1604 which a Credit Enhancement is not in effect.

1605 (g) Any claim by the Registrar, Paying Agent or Tender Agent on any amounts  
1606 drawn under the Credit Enhancement or the Liquidity Facility or on any amounts on  
1607 deposit in the account described in subsection (a) of this Section 3.13 in which proceeds  
1608 of draws on the Credit Enhancement are deposited or the Liquidity Facility Purchase  
1609 Account is subordinate to the lien thereon of the Bonds.

1610 **SECTION 3.14. Purchase Fund.** There is hereby established and there will be  
1611 maintained with the Tender Agent, as agent for the Registrar, a separate fund to be  
1612 known as the "Purchase Fund." The Tender Agent will further establish separate  
1613 accounts within the Purchase Fund to be known as the "Liquidity Facility Purchase  
1614 Account," the "Remarketing Proceeds Account" and the "County Purchase Account." All  
1615 funds in any account within the Purchase Fund will be held solely for the benefit of  
1616 Owners of the Bonds.

1617 (a) Remarketing Proceeds Account. Upon receipt of the proceeds of a  
1618 remarketing of a Bond on the date such Bond is to be purchased, the Tender Agent will  
1619 deposit those proceeds in the Remarketing Proceeds Account for application to the  
1620 Purchase Price of such Bonds. Notwithstanding the foregoing, upon the receipt of the  
1621 proceeds of a remarketing of Liquidity Provider Bonds, the Tender Agent will



1622 immediately pay such proceeds to the Liquidity Provider to the extent of any amount  
1623 owing to the Liquidity Provider.

1624 (b) Liquidity Facility Purchase Account. Upon receipt of proceeds of a draw on  
1625 the Liquidity Facility pursuant to Section 3.8(c) of this ordinance, the Tender Agent will  
1626 deposit such money in the Liquidity Facility Purchase Account for application to the  
1627 Purchase Price of the Bonds to the extent that the money on deposit in the Remarketing  
1628 Proceeds Account is not sufficient. Any amounts deposited in the Liquidity Facility  
1629 Purchase Account and not needed with respect to the Purchase Price for any Bonds will  
1630 be immediately returned to the Liquidity Provider.

1631 (c) County Purchase Account. Upon receipt of Funds from the county pursuant  
1632 to Section 3.9(c) of this ordinance, the Tender Agent will deposit such Funds in the  
1633 County Purchase Account for application to the Purchase Price of the Bonds. Any  
1634 amounts deposited in the County Purchase Account and not needed with respect to the  
1635 Purchase Price for any Bonds will be immediately refunded to the county.

1636 (d) Investment. Amounts held in the Liquidity Facility Purchase Account and the  
1637 Remarketing Proceeds Account by the Tender Agent must be held uninvested and  
1638 separate and apart from all other funds and accounts.

1639 **SECTION 3.15. Insufficient Funds for Tenders.**

1640 (a) If money sufficient to pay the Purchase Price of all tendered Bonds to be  
1641 purchased on any Purchase Date is not available (1) no purchase may be consummated on  
1642 such Purchase Date, (2) all tendered Bonds will be returned to the Owners thereof, (3) all  
1643 remarketing proceeds will be returned to the Remarketing Agent for return to the Persons  
1644 providing such money, and (4) such occurrence may be or become an event of default

1645 described in Section 6.1(e) or (f).

1646 (b) All Bonds will bear interest at the Unremarketed Bonds Rate during the  
1647 period of time from and including the applicable Purchase Date to (but not including) the  
1648 date that all such tendered Bonds are successfully remarketed (the "Delayed Remarketing  
1649 Period").

1650 (c) The county may direct the conversion of the tendered Bonds to a different  
1651 Interest Rate Mode during the Delayed Remarketing Period in accordance with Section  
1652 2.10 of this ordinance; provided that the county will not be required to comply with the  
1653 notice requirements described in Section 2.10 of this ordinance.

1654 (d) Subject to the terms of the Remarketing Agreement, the Remarketing Agent  
1655 will continue to use its best efforts to remarket all of the tendered Bonds.

1656 (e) During the Delayed Remarketing Period, the Registrar may, upon written  
1657 direction of the county, apply funds provided by the county to the redemption of such  
1658 tendered Bonds, as a whole or in part on any Business Day during the Delayed  
1659 Remarketing Period, at a redemption price equal to the principal amount thereof, together  
1660 with interest accrued thereon to the date fixed for redemption, without premium. The  
1661 Registrar will give five Business Days' notice of such redemption to the Owners of the  
1662 Bonds to be redeemed.

1663 (f) During the Delayed Remarketing Period, interest on such tendered Bonds will  
1664 be paid to the Owners thereof (i) on the first Business Day of each calendar month  
1665 occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed  
1666 Remarketing Period.

1667 SECTION 3.16. Amendments on Mandatory Purchase Date. The owner of a

1668 Bond will be deemed to have consented to any amendment proposed to become effective  
1669 on any Mandatory Purchase Date for such Bond.

1670 SECTION 3.17. No Defeasance in Short-Term Mode. Bonds in any Short-  
1671 Term Mode may not be defeased. Any defeasance of Bonds in any Long-Term Mode  
1672 must be in accordance with the defeasance provisions set forth in Section 4.5 of this  
1673 ordinance.

1674 **ARTICLE IV**

1675 **SECURITY FOR THE BONDS**

1676 SECTION 4.1. Multi-Modal LTGO/Sewer Revenue Bond Fund. A special  
1677 fund of the county designated the "King County, Washington, Multi-Modal Limited Tax  
1678 General Obligation (Payable from Sewer Revenue) Bond Fund" (the "Multi-Modal  
1679 LTGO/Sewer Revenue Bond Fund") is hereby authorized to be created for the purpose of  
1680 paying Multi-Modal LTGO/Sewer Revenue Bonds. The Multi-Modal LTGO/Sewer  
1681 Revenue Bond Fund will be held separate and apart from all other funds and accounts of  
1682 the county and will be a trust fund for the owners of Multi-Modal LTGO/Sewer Revenue  
1683 Obligations.

1684 The county hereby irrevocably obligates and binds itself for as long as any Bonds  
1685 remain Outstanding to set aside and pay into the Multi-Modal LTGO/Sewer Revenue  
1686 Bond Fund from the sources described in Sections 4.2 and 4.3 of this ordinance, on or  
1687 prior to the respective dates the same become due (and if such payment is made on the  
1688 due date, such payment must be made in immediately available funds):

1689 (1) Such amounts as are required to pay the interest scheduled to become due on  
1690 the Outstanding Bonds (including all Liquidity Provider Bonds); and

1691           (2) Such amounts with respect to the Outstanding Bonds as are required (A) to  
1692 pay maturing principal, (B) to make any required sinking fund payments, and (C) to  
1693 redeem Outstanding Bonds in accordance with any mandatory redemption provisions  
1694 (including all Liquidity Provider Bonds).

1695           So long as the county maintains a Credit Enhancement, the payment requirements  
1696 of this Section 4.1 will be deemed satisfied by draws on the Credit Enhancement;  
1697 provided, however, that the Credit Enhancement must not be drawn upon to make any  
1698 payments of principal of or interest on Liquidity Provider Bonds.

1699           SECTION 4.2. Pledge of Taxation and Credit. The county hereby irrevocably  
1700 covenants and agrees for as long as any Bonds are outstanding and unpaid, that each year  
1701 it will include in its budget and levy an *ad valorem* tax upon all the property within the  
1702 county subject to taxation in an amount that will be sufficient, together with all other  
1703 revenues and money of the county legally available for such purpose, to make the  
1704 payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund required by Section  
1705 4.1 of this ordinance as the same become due. All of the taxes so collected will be paid  
1706 into the Multi-Modal LTGO/Sewer Revenue Bond Fund no later than the date such funds  
1707 are required for the payments described in Section 4.1.

1708           The county hereby irrevocably pledges that the annual tax herein authorized to be  
1709 levied for the payment of such amounts will be within and a part of the tax levy permitted  
1710 to counties without a vote of the people, and that a sufficient portion of the taxes to be  
1711 levied and collected annually by the county prior to the full payment of the amounts  
1712 described in Section 4.1 will be and is hereby irrevocably set aside, pledged and  
1713 appropriated for the payment of the amounts described in Section 4.1.

1714           The county hereby irrevocably pledges its full faith, credit and resources for the  
1715 annual levy and collection of said taxes and for the prompt payment of the amounts  
1716 described in Section 4.1 as the same become due.

1717           **SECTION 4.3. Pledge of Revenue.**

1718           (a) Lien on Revenue of the System. The Bonds are also payable from and  
1719 secured by a pledge of Revenue of the System and by drawings under any Credit  
1720 Enhancement or Liquidity Facility; provided, however, that any series of additional  
1721 Multi-Modal LTGO/Sewer Revenue Bonds also may be payable from and secured by a  
1722 separate credit or liquidity facility pledged specifically to or provided for that series of  
1723 additional Multi-Modal LTGO/Sewer Revenue Bonds, and such separate credit or  
1724 liquidity facility will not secure payment of the Bonds. No additional Multi-Modal  
1725 LTGO/Sewer Revenue Bonds may be secured by the Credit Enhancement or the  
1726 Liquidity Facility unless the Credit Provider or the Liquidity Provider, as the case may  
1727 be, amends the Credit Enhancement or increases the Available Amount under the  
1728 Liquidity Facility, as the case may be, to account for such additional Multi-Modal  
1729 LTGO/Sewer Revenue Bonds. Unless the Credit Enhancement is so amended or the  
1730 Available Amount is so increased, funds drawn under the Credit Enhancement or the  
1731 Liquidity Facility must be held separately and will not be available for payments with  
1732 respect to any other Multi-Modal LTGO/Sewer Revenue Bonds.

1733           From and after the time of issuance and delivery of the Bonds and so long  
1734 thereafter as any of the same remain Outstanding, the county hereby irrevocably obligates  
1735 and binds itself to set aside and pay into the Multi-Modal LTGO/Sewer Revenue Bond  
1736 Fund out of Revenue of the System, on or prior to the date due, the amounts described in

1737 Section 4.1 of this ordinance.

1738           The amounts herein covenanted to be paid out of the Revenue of the System and  
1739 deposited into the Multi-Modal LTGO/Sewer Revenue Bond Fund constitute, and the  
1740 county hereby grants and pledges to the owners of the Bonds and to any Credit Provider  
1741 and Liquidity Provider with respect to obligations owed to them under a Reimbursement  
1742 Agreement or Liquidity Facility, a lien and charge on such Revenue junior, subordinate  
1743 and inferior to Operating and Maintenance Expenses; junior, subordinate and inferior to  
1744 the lien and charge on such Revenue for the payments required to be made into the Parity  
1745 Bond Fund and the accounts therein; junior, subordinate and inferior to the lien and  
1746 charge on such Revenue of the payments required to be made into the Parity Lien  
1747 Obligation Bond Fund and the accounts therein; junior and inferior to the lien and charge  
1748 on such Revenue to pay and secure the payment of any Junior Lien Obligations; equal to  
1749 the lien and charge on such Revenue to pay and secure the payment of the Series 2010B  
1750 Bonds and any additional Multi-Modal LTGO/Sewer Revenue Bonds; and superior to all  
1751 other liens and charges of any kind or nature, including, inter alia, the lien and charge on  
1752 such Revenue to pay and secure the payment of the Subordinate Lien Obligations and the  
1753 SRF Loans and Public Works Trust Fund Loans.

1754           (b) Due Regard for Expenses of Maintenance and Operation. The county council  
1755 hereby declares that, in fixing the amounts to be paid into the Multi-Modal LTGO/Sewer  
1756 Revenue Bond Fund and the accounts therein out of the Revenue of the System, it has  
1757 exercised due regard for the necessary Operating and Maintenance Expenses and has not  
1758 obligated the county to set aside, pay into and maintain in said fund and accounts a  
1759 greater amount of the Revenue of the System than in its judgment will be available over

1760 and above such necessary Operating and Maintenance Expenses.

1761           SECTION 4.4. Revenue Fund. All Revenue of the System will be deposited in  
1762 the Revenue Fund as collected. The Revenue Fund will be held separate and apart from  
1763 all other funds and accounts of the county, and the Revenue of the System deposited  
1764 therein may be used only for the following purposes and in the following order of  
1765 priority:

1766           First, to pay all Operating and Maintenance Expenses;

1767           Second, to make all required deposits into the debt service account in the Parity  
1768 Bond Fund to provide for the payment of principal of and interest on Parity Bonds as the  
1769 same become due and payable and to make any Payment Agreement Payments with  
1770 respect to any Parity Payment Agreements;

1771           Third, to make all payments required to be made pursuant to a reimbursement  
1772 agreement or agreements (or other equivalent documents) with the providers of any debt  
1773 service reserve insurance, sureties or letters of credit securing Parity Bonds, provided that  
1774 if there is not sufficient money to make all payments under such reimbursement  
1775 agreements the payments will be made on a pro rata basis;

1776           Fourth, to establish and maintain the Parity Bond Reserve Account (including  
1777 making deposits into such account and paying the costs of obtaining debt service reserve  
1778 insurance, sureties or letters of credit);

1779           Fifth, to make all required payments of principal of and interest on the Parity Lien  
1780 Obligations as the same become due and payable and to make Payment Agreement  
1781 Payments with respect to any Parity Lien Obligation Payment Agreements;

1782           Sixth, to make all required payments of principal of and interest on Junior Lien

1783 Obligations as the same become due and payable, to make all Payment Agreement  
1784 Payments for any Payment Agreements entered into with respect to Junior Lien  
1785 Obligations, and to make any payments required to be made to providers of credit  
1786 enhancements or liquidity facilities for any Junior Lien Obligations;  
1787         Seventh, to make all required payments of principal of and interest on Multi-  
1788 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all  
1789 Payment Agreement Payments for any Payment Agreements entered into with respect to  
1790 Multi-Modal LTGO/Sewer Revenue Bonds, and to make any payments required to be  
1791 made to providers of credit enhancements or liquidity facilities for any Multi-Modal  
1792 LTGO/Sewer Revenue Bonds;  
1793         Eighth, to make all required payments of principal of and interest on the  
1794 Subordinate Lien Obligations as the same become due and payable;  
1795         Ninth, to make all required payments of principal and interest on bonds, notes,  
1796 warrants and other evidences of indebtedness, the lien and charge against Revenue of the  
1797 System of which is junior and inferior to the Subordinate Lien Obligations, as the same  
1798 become due and payable; and  
1799         Tenth, to make all required payments of principal and interest due on the SRF  
1800 Loans and the Public Works Trust Fund Loans as the same become due and payable.  
1801         Any surplus money that the county may have on hand in the Revenue Fund after  
1802 making all required payments set forth above may be used by the county (i) to make  
1803 necessary improvements, additions and repairs to and extensions and replacements of the  
1804 System, (ii) to purchase or redeem and retire outstanding sewer revenue bonds of the  
1805 county, (iii) to make deposits into the Rate Stabilization Fund, (iv) to make any



1806 termination payment required to be paid with respect to a Payment Agreement, or (v) for  
1807 any other lawful purposes of the county related to the System.

1808       SECTION 4.5. Defeasance. In the event that money or noncallable Government  
1809 Obligations maturing at such time or times and bearing interest to be earned thereon in  
1810 amounts (together with such money, if necessary) sufficient to redeem and retire, refund  
1811 or defease part or all of Bonds in a Long-Term Mode in accordance with their terms, are  
1812 set aside in a special account of the county to effect such redemption and retirement, and  
1813 such money and the principal of and interest on such Government Obligations are  
1814 irrevocably set aside and pledged for such purpose, then no further payments need be  
1815 made into the Bond Fund for the payment of the principal of and interest on the Bonds so  
1816 provided for, and such Bonds will cease to be entitled to any lien, benefit or security of  
1817 this ordinance except the right to receive the money so set aside and pledged, and such  
1818 Bonds will be deemed not to be outstanding hereunder; provided, however, that Bonds in  
1819 the Term Rate Mode may be defeased only to the end of their current Interest Period.  
1820 Bonds in any Short-Term Mode may not be defeased.

1821   **ARTICLE V**

1822   **COVENANTS OF THE COUNTY**

1823       SECTION 5.1. Rate Covenants. The county hereby makes the following  
1824 covenants and agrees with the Owners of the Bonds for as long as any of the same remain  
1825 Outstanding.

1826           (a) General Rate Covenant. The county will establish, maintain and collect rates  
1827 and charges for sewage disposal service for each calendar year that are fair and  
1828 nondiscriminatory and adequate to provide the county with Revenue of the System

1829 sufficient (1) to pay all Operating and Maintenance Expenses during such calendar year;  
1830 (2) to pay punctually all amounts described in Paragraphs Second through Eleventh in  
1831 Section 4.4 of this ordinance due during such calendar year; and (3) to pay any and all  
1832 amounts that the county is now or may hereafter become obligated by law or contract to  
1833 pay during such calendar year from the Revenue of the System.

1834 (b) Coverage Requirement.

1835 (i) Subject to the provisions of subparagraph (ii) of this Section 5.1(b), the  
1836 county hereby covenants with the owners of the Bonds for so long as any of the same are  
1837 Outstanding that the county will at all times establish, maintain and collect rates and  
1838 charges for sewage disposal service that, together with the interest to be earned on  
1839 investments made of money in the Revenue Fund, Parity Bond Fund, Parity Lien  
1840 Obligation Bond Fund, Junior Lien Bond Fund, Multi-Modal LTGO/Sewer Revenue  
1841 Bond Fund, and Construction Account will provide in each calendar year Net Revenue,  
1842 after deducting therefrom amounts required in such year to pay Annual Debt Service on  
1843 Parity Bonds and Parity Lien Obligations, in an amount equal to at least 1.10 times the  
1844 amounts required to pay Annual Debt Service for all Junior Lien Obligations and Multi-  
1845 Modal LTGO/Sewer Revenue Bonds for such year.

1846 (ii) There will be added to Revenue of the System for any calendar year  
1847 any amount withdrawn from the Rate Stabilization Fund and deposited in the Revenue  
1848 Fund. There will be subtracted from Revenue of the System for any year any amounts in  
1849 such year withdrawn from the Revenue Fund and deposited into the Rate Stabilization  
1850 Fund in such year.

1851 SECTION 5.2. Other Covenants. The county hereby makes the following

1852 additional covenants and agrees with the Owners of the Bonds for as long as any of the  
1853 same remain Outstanding.

1854 (a) Maintain in Good Order. The county will cause the System and the business  
1855 in connection therewith to be operated in a safe, sound, efficient, and economic manner  
1856 in compliance with all health, safety, and environmental laws, regulatory body rules,  
1857 regulatory body orders and court orders applicable to the county's operation of the  
1858 System, and will cause to be maintained, preserved, reconstructed, expanded and kept,  
1859 with all appurtenances and every part and parcel thereof, in good repair, working order  
1860 and condition, and will from time to time cause to be made, without undue deferral, all  
1861 necessary or proper repairs, replacements and renewals, so that all times the operation of  
1862 the System will be properly and advantageously conducted.

1863 (b) Books and Records. The county will cause proper books of record and  
1864 accounts of operation of the System to be kept, including an annual financial report.

1865 (c) Annual Audit. The county will cause its books of accounts, including its  
1866 annual financial report, to be audited annually by the State auditor's office or other State  
1867 department or agency as may be authorized and directed by law to make such audits, or if  
1868 such an audit is not made for twelve months after the close of any fiscal year of the  
1869 county, by a Certified Public Accountant. The county will furnish such audit to the  
1870 owner or holder of any Bond upon written request therefor.

1871 (d) Insurance. The county will at all times carry fire and extended coverage and  
1872 such other forms of insurance on such of the buildings, equipment, facilities and  
1873 properties of the Sewer System as under good practice are ordinarily carried on such  
1874 buildings, equipment, facilities and properties by municipal or privately owned utilities

1875 engaged in the operation of sewer systems and will also carry adequate public liability  
1876 insurance at all times, provided that the county may, if deemed advisable by the county  
1877 council, institute or continue a self insurance program with respect to any or all of the  
1878 aforementioned risks.

1879       (e) Construction. The county will cause the construction of any duly authorized  
1880 and ordered portions of the Comprehensive Plan to be performed and completed within a  
1881 reasonable time and at the lowest reasonable cost.

1882       (f) Collection of Revenue. The county will so operate and maintain the System  
1883 and conduct its affairs as to entitle it at all times to receive and enforce payment to it of  
1884 sewage disposal charges payable (i) pursuant to the ordinance or ordinances establishing  
1885 a tariff of rates and charges for sewage disposal services and (ii) under any Service  
1886 Agreement that the county has now or may hereafter enter into and to entitle the county  
1887 to collect all revenues derived from the operation of the System. The county may not  
1888 release the obligations of any person, corporation or political subdivision under such  
1889 tariff of rates and charges or the Service Agreements and will at all times, to the extent  
1890 permitted by law, defend, enforce, preserve and protect the rights and privileges of the  
1891 county and of the holders of the Bonds under or with respect thereto.

1892       In accordance with RCW 35.58.200(3), the county will require any county, city,  
1893 special district or other political subdivision to discharge to the System all sewage  
1894 collected by such entity from any portion of the Seattle metropolitan area that can drain  
1895 by gravity flow into facilities of the System that serve such areas if the county council  
1896 declares that the health, safety or welfare of the people within the metropolitan area  
1897 require such action.

1898           (g) Legal Authority. The county has full legal right, power and authority to adopt  
1899 this ordinance, to sell, issue and deliver Bonds as provided herein, and to carry out and  
1900 consummate all other transactions contemplated by this ordinance.

1901           (h) Due Authorization. By all necessary official action prior to or concurrently  
1902 herewith, the county has duly authorized and approved the execution and delivery of, and  
1903 the performance by the county of its obligations contained in, the Bonds and in this  
1904 ordinance and the consummation by it of all other transactions necessary to effectuate  
1905 this ordinance in connection with the issuance of Bonds, and such authorizations and  
1906 approvals are in full force and effect and have not been amended, modified or  
1907 supplemented in any material respect.

1908           (i) Binding Obligation. This ordinance constitutes a legal, valid and binding  
1909 obligation of the county.

1910           (j) No Conflict. The adoption of this ordinance, and compliance on the county's  
1911 part with the provisions contained herein, will not conflict with or constitute a breach of  
1912 or default under any constitutional provisions, law, administrative regulation, judgment,  
1913 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement  
1914 or other instrument to which the county is a party or to which the county or any of its  
1915 property or assets are otherwise subject, nor will any such adoption, execution, delivery,  
1916 sale, issuance or compliance result in the creation or imposition of any lien, charge or  
1917 other security interest or encumbrance of any nature whatsoever upon any of the property  
1918 or assets of the county or under the terms of any such law, regulation or instrument,  
1919 except as may be provided by the Bonds and this ordinance.

1920           (k) Performance Under Ordinance. None of the proceeds of the Bonds will be

1921 used for any purpose other than as provided in this ordinance, and the county will not  
1922 suffer any amendment or supplement to this ordinance, or any departure from the due  
1923 performance of its obligations hereunder, that might materially adversely affect the rights  
1924 of the owners from time to time of the Bonds.

1925 (l) Sale or Disposition. The county will not sell or voluntarily dispose of all of  
1926 the operating properties of the System unless provision is made for payment into the  
1927 appropriate bond funds of a sum sufficient to pay the principal of and interest on all  
1928 outstanding Parity Bonds, Parity Lien Obligations, Junior Lien Obligations and Multi-  
1929 Modal LTGO/Sewer Revenue Bonds, in accordance with the terms thereof, nor will the  
1930 county sell or voluntarily dispose of any part of the operating properties of the System  
1931 unless the county has first complied with any applicable covenants of the Parity Bonds  
1932 and Parity Lien Obligations.

1933 **SECTION 5.3. Tax Covenants.**

1934 (a) General. For all or a portion of the Bonds, the county may elect to structure  
1935 such Bonds so that interest on such Bonds would be excludable from gross income for  
1936 federal income tax purposes pursuant to sections 103 and 141 through 150 of the Code  
1937 (the "Tax-Exempt Bonds") or to confer other benefits under the Code to the county or  
1938 owners of such Bonds ("Tax-Benefited Bonds"). The county covenants not to take any  
1939 action, or knowingly to omit to take any action within its control, that if taken or omitted  
1940 would cause the interest on Tax-Exempt Bonds to be includable in gross income, as  
1941 defined in section 61 of the Code, for federal income tax purposes.

1942 (b) Tax Certificate. Upon the issuance of Tax-Exempt Bonds or Tax-Benefited  
1943 Bonds, the Finance Director is authorized to execute a federal tax certificate (the "Tax

1944 Certificate"), which will certify to various facts and representations concerning such  
1945 Bonds, based on the facts and estimates known or reasonably expected on the date of  
1946 their issuance, and make certain covenants with respect to such Bonds as may be  
1947 necessary or desirable to obtain or maintain the benefits conferred under the Code  
1948 relating to Tax-Exempt Bonds or Tax-Benefited Bonds.

1949 The county covenants that it will comply with the Tax Certificate unless it  
1950 receives advice from nationally recognized bond counsel or the Internal Revenue Service  
1951 that certain provisions have been amended or no longer apply to the Tax-Exempt Bonds  
1952 or Tax-Benefited Bonds, as applicable.

1953 (c) Arbitrage Rebate. If the county does not qualify for an exception to the  
1954 requirements of Section 148(f) of the Code relating to the payment of arbitrage rebate to  
1955 the United States, the county will take all necessary steps to comply with the requirement  
1956 that certain amounts earned by the county on the investment of the "gross proceeds" of  
1957 the Tax-Exempt Bonds (within the meaning of the Code) be rebated.

1958 **SECTION 5.4. Additional Obligations of the Sewer System.**

1959 (a) Senior Lien Bonds. The county reserves the right to issue additional Parity  
1960 Bonds, Parity Lien Obligations and Junior Lien Obligations on the terms and conditions  
1961 set forth in the ordinances authorizing issuance of the Parity Bonds, Parity Lien  
1962 Obligations and Junior Lien Obligations.

1963 (b) Additional Multi-Modal LTGO/Sewer Revenue Bonds. The county also  
1964 reserves the right to issue additional Multi-Modal LTGO/Sewer Revenue Bonds, but only  
1965 if such Multi-Modal LTGO/Sewer Revenue Bonds are issued (i) for the purpose of  
1966 refunding any then outstanding Junior Lien Obligations or Multi-Modal LTGO/Sewer

1967 Revenue Bonds or (ii) for any lawful purpose of the county related to the System and the  
1968 following conditions are met:

1969 (A) At the time of issuing such additional Multi-Modal LTGO/Sewer  
1970 Revenue Bonds, there will be no default in the payment of the principal of or interest on  
1971 any Parity Bonds, Parity Lien Obligations, Junior Lien Obligations or Multi-Modal  
1972 LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations, the Public Works Trust  
1973 Fund Loans or the SRF Loans.

1974 (B) The county will have on file one of the following certificates:

1975 (1) certificate of the Finance Director showing that Net Revenue in any  
1976 12 consecutive months out of the most recent 18 months preceding the issuance of such  
1977 additional Multi-Modal LTGO/Sewer Revenue Bonds, based on financial statements of  
1978 the System prepared by the county and after deducting therefrom the Senior Lien  
1979 Payments required in each calendar year during the life of such additional Multi-Modal  
1980 LTGO/Sewer Revenue Bonds, will be at least equal to 1.10 times the Annual Debt  
1981 Service for the proposed additional Multi-Modal LTGO/Sewer Revenue Bonds and all  
1982 then outstanding Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds  
1983 in each year during the life of such additional Multi-Modal LTGO/Sewer Revenue  
1984 Bonds; or

1985 (2) A certificate from a Professional Utility Consultant (which certificate  
1986 may not be dated more than 90 days prior to the date of delivery of such additional Multi-  
1987 Modal LTGO/Sewer Revenue Bonds) showing that in his or her professional opinion the  
1988 Net Revenue, estimated on the basis of all factors as he or she may consider reasonable,  
1989 for each of the five calendar years next following the year in which such additional



1990 Multi-Modal LTGO/Sewer Revenue Bonds are to be issued, after deducting therefrom  
1991 Senior Lien Payments for each such year, will be at least equal to 1.10 times the Annual  
1992 Debt Service for the proposed additional Multi-Modal LTGO/Sewer Revenue Bonds and  
1993 all then outstanding Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue  
1994 Bonds in each of those five years.

1995 (c) Nothing herein contained prevents the county from issuing revenue bonds,  
1996 notes or other obligations that are a charge upon the Revenue of the System junior or  
1997 inferior to the payments required to be made therefrom into the Multi-Modal  
1998 LTGO/Sewer Revenue Bond Fund to pay and secure the payment of any Multi-Modal  
1999 LTGO/Sewer Revenue Bonds.

2000 **SECTION 5.5. Payment Agreements.**

2001 (a) General. To the extent and for the purposes permitted from time to time by  
2002 Chapter 39.96 RCW and other applicable provisions of State law, the county may enter  
2003 into Payment Agreements with respect to any Multi-Modal LTGO/Sewer Revenue  
2004 Bonds, subject to the conditions set forth in this Section and in other provisions of this  
2005 ordinance.

2006 (b) Manner and Schedule of Payments. Each Payment Agreement must set forth  
2007 the manner in which the Payment Agreement Payments and the Payment Agreement  
2008 Receipts will be calculated and a schedule of payment dates.

2009 (c) Authorizing Ordinance. Prior to entering into a Payment Agreement, the  
2010 county council must pass an ordinance authorizing the agreement and setting forth such  
2011 provisions as the county deems necessary or desirable and are not inconsistent with the  
2012 provisions of this ordinance.

2013           (d) Calculation of Payment Agreement Payments and Debt Service on Multi-  
2014 Modal LTGO/Sewer Revenue Bonds with Respect to which a Payment Agreement is in  
2015 Force. It is the intent of the county, for purposes of Sections 5.1(b) and 5.4(b) of this  
2016 ordinance, that debt service on Multi-Modal LTGO/Sewer Revenue Bonds with respect  
2017 to which a Payment Agreement is in force will be calculated to reflect the net economic  
2018 effect on the county intended to be produced by the terms of the Multi-Modal  
2019 LTGO/Sewer Revenue Bonds and the terms of the Payment Agreement. In calculating  
2020 such amounts, the county will be guided by the following requirements.

2021           (i) The amount of interest deemed to be payable on any Multi-Modal  
2022 LTGO/Sewer Revenue Bonds with respect to which a Payment Agreement is in force  
2023 will be an amount equal to the amount of interest that would be payable at the rate or  
2024 rates stated in those Multi-Modal LTGO/Sewer Revenue Bonds plus Payment Agreement  
2025 Payments minus Payment Agreement Receipts.

2026           (ii) For any period during which Payment Agreement Payments are not taken  
2027 into account in calculating interest on any outstanding Multi-Modal LTGO/Sewer  
2028 Revenue Bonds because the Payment Agreement is not then related to any outstanding  
2029 Multi-Modal LTGO/Sewer Revenue Bonds, Payment Agreement Payments on that  
2030 Payment Agreement will be calculated based upon the following assumptions:

2031           (A) County Obligated to Make Payments Based on Fixed Rate. If the  
2032 county is obligated to make Payment Agreement Payments based on a fixed rate and the  
2033 Qualified Counterparty is obligated to make payments based on a variable rate index,  
2034 payments by the county will be based on the assumed fixed payor rate, and payments by  
2035 the Qualified Counterparty will be based on a rate equal to the average rate determined

2036 by the variable rate index specified by the Payment Agreement during the fiscal quarter  
2037 preceding the quarter in which the calculation is made; and

2038 (B) County Obligated to Make Payments Based on Variable Rate Index. If  
2039 the county is obligated to make Payment Agreement Payments based on a variable rate  
2040 index and the Qualified Counterparty is obligated to make payments based on a fixed  
2041 rate, payments by the county will be based on a rate equal to the average rate determined  
2042 by the variable rate index specified by the Payment Agreement during the fiscal quarter  
2043 preceding the quarter in which the calculation is made, and the Qualified Counterparty  
2044 will make payments based on the fixed rate specified by the Payment Agreement.

2045 (e) Prior Notice to Rating Agencies. The county will give notice to each Rating  
2046 Agency 30 days prior to the date it intends to enter into a Payment Agreement with  
2047 respect to any Multi-Modal LTGO/Sewer Revenue Bonds.

2048 **ARTICLE VI**

2049 **EVENTS OF DEFAULT**

2050 SECTION 6.1. Defaults. The county hereby finds and determines that the failure  
2051 or refusal of the county or any of its officers to perform the covenants and obligations of  
2052 this ordinance will endanger the operation of the System and the application of Revenue  
2053 of the System and such other money, funds and securities to the purposes herein set forth.

2054 Any one or more of the following will constitute a Default under this ordinance:

2055 (a) The county fails to make payment of the principal of any Bonds when the  
2056 same becomes due and payable whether by maturity or scheduled redemption prior to  
2057 maturity;

2058 (b) The county fails to make payment of any installment of interest on any Bonds

2059 when the same becomes due and payable (excluding the interest component, if any, of the  
2060 Purchase Price of any Bonds);

2061 (c) The county defaults in the observance or performance of any other covenant,  
2062 condition, or agreement on the part of the county contained in this ordinance, and such  
2063 default has continued for a period of 30 days.

2064 (d) The county (i) admits in writing its inability to pay its debts generally as they  
2065 become due; (ii) files a petition in bankruptcy or seeking a composition of indebtedness  
2066 under any state or federal bankruptcy or insolvency law; (iii) makes an assignment for the  
2067 benefit of its creditors; (iv) consents to the appointment of a receiver for the whole or any  
2068 substantial part of the System; or (v) consents to the assumption by any court of  
2069 competent jurisdiction under the provisions of any other law for the relief or aid of  
2070 debtors of custody or control of the county or of the whole or any substantial part of the  
2071 System.

2072 (e) Where no Liquidity Facility is in effect, the county fails to pay the  
2073 Purchase Price of any Bonds when due and payable.

2074 (f) Where a Liquidity Facility is in effect and the Liquidity Provider fails to  
2075 honor a conforming draw on the Liquidity Facility to pay the Purchase Price of any  
2076 Bonds when due and payable, the county fails to pay the Purchase Price of such Bonds  
2077 within 365 days after the Purchase Date applicable to such Bonds,

2078 **SECTION 6.2. Remedies.**

2079 (a) Control by Credit Provider. Upon the occurrence and continuation of a  
2080 Default described in Section 6.1(a)-(d), the Credit Provider, if any, will be entitled to  
2081 exercise, on behalf of the Bondowners, any of the remedies provided under this Section

2082 and, for as long as the Credit Provider is not in default of its obligations under the Credit  
2083 Enhancement, the Credit Provider will be the only party entitled to exercise the remedies  
2084 provided under this Section.

2085           (b) Bondowners' Trustee. Upon the occurrence of a Default and so long as such  
2086 Default is not remedied, and subject to the rights of the Credit Provider as provided in  
2087 subsection (a) above, a Bondowners' Trustee may be appointed for the Bonds by the  
2088 owners of 51% in principal amount of the Outstanding Bonds by an instrument or  
2089 concurrent instruments in writing signed and acknowledged by such Bondowners or by  
2090 their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee,  
2091 notification thereof being given to the county. Any Bondowners' Trustee appointed  
2092 under the provisions of this Section must be a bank or trust company organized under the  
2093 laws of a state or a national banking association. The fees and expenses of a  
2094 Bondowners' Trustee must be borne by the Bondowners and not by the county. The bank  
2095 or trust company acting as a Bondowners' Trustee may be removed at any time, and a  
2096 successor Bondowners' Trustee may be appointed, by the owners of 51% in principal  
2097 amount of the Bonds Outstanding, by an instrument or concurrent instruments in writing  
2098 signed and acknowledged by such Bondowners or by their attorneys-in-fact duly  
2099 authorized. The Bondowners' Trustee may resign upon 60 days' notice and a new  
2100 Bondowners' Trustee appointed by the owners of at least 51% in principal amount of  
2101 Bonds; provided, however, that no such resignation or removal will be effective until a  
2102 successor Bondowners' Trustee has been appointed and has delivered to the county and  
2103 the Owners of the Bonds then Outstanding a written instrument of acceptance of the  
2104 duties and responsibilities of the Bondowners' Trustee under this ordinance.

2105           The Bondowners' Trustee appointed in the manner herein provided, and each  
2106 successor thereto, is hereby declared to be a trustee for the owners of all Bonds then  
2107 Outstanding and is empowered to exercise all the rights and powers herein conferred on  
2108 the Bondowners' Trustee.

2109           (c) Legal Action by Bondowners' Trustee. Subject to the rights of the Credit  
2110 Provider, if any, upon the happening of a Default and during the continuation thereof, the  
2111 Bondowners' Trustee may, and upon the written request of the Owners of not less than  
2112 25% in principal amount of Bonds then Outstanding must, take such steps and institute  
2113 such suits, actions or other proceedings, as it may deem appropriate for the protection and  
2114 enforcement of the rights of Bondowners to collect any amounts due and owing to or  
2115 from the county, or to obtain other appropriate relief, and may enforce the specific  
2116 performance of any covenant, agreement or condition contained in this ordinance or the  
2117 Bonds. Any action, suit or other proceedings instituted by a Bondowners' Trustee  
2118 hereunder will be brought in its name as trustee for the Bondowners, and all such rights  
2119 of action upon or under any of the Bonds or the provisions of this ordinance may be  
2120 enforced by a Bondowners' Trustee without the possession of any of said Bonds, and  
2121 without the production of the same at any trial or proceedings relating thereto except  
2122 where otherwise required by law. Any such suit or proceeding instituted by the  
2123 Bondowners' Trustee will be brought for the ratable benefit of all Owners of the Bonds,  
2124 subject to the provisions of this ordinance. The respective owners of said Bonds by  
2125 taking and holding the same, will be conclusively deemed irrevocably to appoint a  
2126 Bondowners' Trustee the true and lawful trustee of the respective Owners of said Bonds,  
2127 with authority to institute any such action, suit or proceeding; to receive as trustee and

2128 deposit in trust any sums that become distributable on account of said Bonds; to execute  
2129 any paper or documents for the receipt of such money, and to do all acts with respect  
2130 thereto that the Bondowner himself might have done. Nothing herein will be deemed to  
2131 authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf  
2132 of any Owner of said Bonds, any plan of reorganization or adjustment affecting the said  
2133 Bonds or any right of any Owner thereof, or to authorize or empower the Bondowners'  
2134 Trustee to vote the claims of the Owners thereof in any receivership, insolvency,  
2135 liquidation, bankruptcy, reorganization or other proceeding to which the county is a  
2136 party.

2137 (d) Restrictions on Legal Action by Individual Bondowners. No Owner or  
2138 Beneficial Owner of any Bonds has any right to institute any action, suit or proceedings  
2139 at law or in equity for the enforcement of the same unless:

2140 (i) a Default has happened and is continuing; and

2141 (ii) a Bondowners' Trustee has been appointed as herein provided, and

2142 (iii) such owner previously has given to the Bondowners' Trustee written  
2143 notice of the Default as to which such suit, action or proceeding is to be instituted; and

2144 (iv) the Owners of 25% in principal amount of the Bonds then Outstanding,  
2145 after the occurrence of such Default, have made written request of the Bondowners'  
2146 Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute  
2147 such suit, action or proceedings; and

2148 (v) the Bondowners' Trustee has been offered security and indemnity  
2149 satisfactory to it against the costs, expenses and liabilities to be incurred therein or  
2150 thereby; and

2151 (vi) the Bondowners' Trustee has refused or neglected to comply with such  
2152 request within a reasonable time.

2153 No Owner or Beneficial Owner of any Bond will have any right in any manner  
2154 whatever by his or her action to affect or impair the obligation of the county, which is  
2155 absolute and unconditional, to pay from Revenue of the System or draws on the Credit  
2156 Enhancement or Liquidity Facility the principal of and interest on said Bonds to the  
2157 respective Owners thereof when due.

2158 (e) Waivers of Default; Remedies not Exclusive. The remedies herein conferred  
2159 upon or reserved to the Owners of the Bonds and to a Bondowners' Trustee are not  
2160 intended to be exclusive of any other remedy or remedies, and each and every such  
2161 remedy will be cumulative and will be in addition to every other remedy given hereunder  
2162 or now or hereafter existing at law or in equity or by statute. The privileges herein  
2163 granted may be exercised from time to time and continued so long as and as often as the  
2164 occasion therefor may arise.

2165 The Credit Provider may on behalf of the Owners of all Bonds then Outstanding  
2166 waive any past Default and its consequences, except a default in the payment of the  
2167 principal of, premium, if any, or interest on any of the Bonds. No such waiver will  
2168 extend to or affect any subsequent Default or impair any rights or remedies consequent  
2169 thereon. No delay or omission of the Credit Provider to exercise any right or power  
2170 accruing upon any default will impair any such right or power or be construed to be a  
2171 waiver of any such Default or acquiescence therein.

2172

## ARTICLE VII

2173

### APPLICATION OF BOND PROCEEDS





2197 Registrar has consented to such appointment in writing and such paying agent or tender  
2198 agent has accepted its obligations under this ordinance by delivery of a written instrument  
2199 to that effect to the county and the Registrar.

2200 (b) Fiscal Agency Agreement. The Bank of New York Mellon, in its capacity as  
2201 fiscal agent under the current Fiscal Agency Agreement, will perform the duties of  
2202 Registrar, Paying Agent and Tender Agent hereunder in accordance with the Fiscal  
2203 Agency Agreement. Unless the county exercises its right under Section 8.1(c) of this  
2204 ordinance to remove the Registrar, any successor fiscal agent under the Fiscal Agency  
2205 Agreement will serve as Registrar, Paying Agent and Tender Agent under this ordinance.  
2206 Notwithstanding anything to the contrary in the Fiscal Agency Agreement, the fiscal  
2207 agent acting as Registrar, Tender Agent or Paying Agent will not seek any indemnity or  
2208 other security as a condition precedent to drawing on any Liquidity Facility or Credit  
2209 Enhancement, making any payment of principal of, interest on or the Purchase Price for  
2210 any Bonds, or effecting any mandatory purchase or redemption of any Bonds.

2211 (c) Removal of Registrar. The county may remove the Registrar at any time at  
2212 the option of the Finance Director upon prior notice to the Notice Parties and  
2213 appointment by the Finance Director on behalf of the county of a successor Registrar on  
2214 terms and conditions to be set forth in a written agreement between the county and such  
2215 successor Registrar. Any successor Registrar must be a trust company or commercial  
2216 bank with trust powers. No resignation or removal of the Registrar will be effective until  
2217 a successor is appointed and the successor Registrar accepts the duties of the Registrar  
2218 hereunder and, if acting as Tender Agent or Paying Agent, it receives the Credit  
2219 Enhancement and Liquidity Facility, together with all other funds then held by the

2220 Registrar, Paying Agent and Tender Agent.

2221 **SECTION 8.2. Appointment of Remarketing Agent.**

2222 (a) Initial Remarketing Agent. The county hereby appoints Goldman, Sachs &  
2223 Co. as initial Remarketing Agent to remarket Bonds pursuant to this ordinance and  
2224 perform the other duties of the Remarketing Agent described hereunder. On behalf of the  
2225 county, the Finance Director is authorized to execute and deliver the Remarketing  
2226 Agreement in substantially the form attached as Attachment B to this ordinance, with  
2227 such changes as may be approved by bond counsel to the county. The Remarketing  
2228 Agent will keep such books and records as are consistent with prudent industry practice  
2229 and make such books and records available for inspection by the Notice Parties at all  
2230 reasonable times.

2231 (b) Removal or Resignation of Remarketing Agent. The Remarketing Agent may  
2232 at any time resign and be discharged of the duties and obligations with respect to the  
2233 Bonds created by this ordinance as set forth in the Remarketing Agreement. The  
2234 Remarketing Agent may suspend its remarketing efforts as set forth in the Remarketing  
2235 Agreement. The county council authorizes the Finance Director to remove the  
2236 Remarketing Agent at any time, in accordance with the Remarketing Agreement, when  
2237 the Finance Director, in consultation with the county's financial advisors, determines that  
2238 such removal is necessary or beneficial to the county. Any successor Remarketing Agent  
2239 will be appointed by the Finance Director, must be a member of the Financial Industry  
2240 Regulatory Authority, must have a capitalization of at least \$50,000,000, must be  
2241 authorized by law to perform all the duties set forth in this ordinance and must be  
2242 acceptable to the Credit Provider and Liquidity Provider. The council authorizes and

2243 directs the Finance Director and all other proper officers, agents, attorneys and employees  
2244 of the county to cooperate with any successor Remarketing Agent in preparing and  
2245 executing such additional agreements, certificates, and other documentation on behalf of  
2246 the county as may be necessary or advisable in providing for replacement of the  
2247 Remarketing Agent.

2248 The delivery to the Registrar of a certificate of the Finance Director setting forth  
2249 the effective date of the appointment of a successor Remarketing Agent and the name of  
2250 such successor will be conclusive evidence that (i) if applicable, the predecessor  
2251 Remarketing Agent has been removed in accordance with the provisions of this ordinance  
2252 and (ii) such successor has been appointed and is qualified to act as Remarketing Agent  
2253 under the terms of this ordinance.

2254 (c) Merger or Consolidation. If the Remarketing Agent consolidates with,  
2255 merges or converts into, or transfers all or substantially all of its assets (or, in the case of  
2256 a bank, national banking association or trust company, its corporate assets) to, another  
2257 corporation, the resulting, surviving or transferee corporation without any further act will  
2258 be the successor Remarketing Agent.

## 2259 **ARTICLE IX**

### 2260 **SALE OF BONDS; OFFICIAL STATEMENT;**

### 2261 **CREDIT ENHANCEMENT AND LIQUIDITY FACILITY**

2262 SECTION 9.1. Sale of Bonds. The Bonds will be sold by negotiated sale to the  
2263 Underwriter. The Finance Director will determine the aggregate principal amount of the  
2264 Bonds, which may not exceed \$50,000,000, and, in consultation with the county's  
2265 financial advisors, whether the Bonds will be issued as Tax-Exempt Bonds or Tax-

2266 Benefited Bonds. The Finance Director is hereby authorized to negotiate and execute on  
2267 behalf of the county a bond purchase contract for the sale of the Bonds to the Underwriter  
2268 on terms consistent with this ordinance. The bond purchase contract will be substantially  
2269 in the form attached as Attachment C to this ordinance, with such changes as the Finance  
2270 Director deems reasonable and approved by counsel to the county. The Finance Director  
2271 and all other proper officers, agents, attorneys and employees of the county are hereby  
2272 authorized and directed to do everything necessary for the prompt execution and delivery  
2273 of the Bonds to the Underwriter and for the proper application and use of the proceeds of  
2274 sale thereof, all in accordance with the bond purchase contract and this ordinance.

2275        SECTION 9.2. Official Statement. The county hereby authorizes and directs the  
2276 Finance Director to review and approve the information contained in the official  
2277 statement for the Bonds and hereby authorizes the Underwriter's distribution of the  
2278 official statement in connection with the sale of the Bonds.

2279        SECTION 9.3. Credit Enhancement and Liquidity Facility.

2280        (a) Approval of Liquidity Facility. The county hereby accepts the offer from  
2281 State Street Bank to provide a standby bond purchase agreement as the initial Liquidity  
2282 Facility for the Bonds. The Finance Director and all other proper officers, agents,  
2283 attorneys and employees of the county are hereby authorized and directed to cooperate  
2284 with State Street Bank in preparing the Liquidity Facility and such additional agreements,  
2285 certificates, and other documentation on behalf of the county as may be necessary or  
2286 advisable in providing for delivery of the Liquidity Facility. The Finance Director is  
2287 hereby authorized to execute and deliver the Liquidity Facility in substantially the form  
2288 attached as Attachment D to this ordinance, with such changes as the Finance Director

2289 deems reasonable and approved by counsel to the county.

2290 (b) Extensions of Expiration Date or Alternate Credit Enhancements or Alternate  
2291 Liquidity Facilities. The county council authorizes the Finance Director, in consultation  
2292 with the county's financial advisors, to obtain a Credit Enhancement for the Bonds if at  
2293 any time that appears necessary or desirable. In that event, the Finance Director and all  
2294 other proper officers, agents, attorneys and employees of the county are hereby  
2295 authorized and directed to cooperate with the proposed Credit Provider to prepare the  
2296 Reimbursement Agreement or Credit Enhancement, as applicable, and such additional  
2297 agreements, certificates, and other documentation on behalf of the county as may be  
2298 necessary or advisable in providing for delivery of the Credit Enhancement.

2299 As long as the Bonds remain outstanding, the county council authorizes the  
2300 Finance Director to obtain one or more extensions of the Expiration Date of any Credit  
2301 Enhancement or Liquidity Facility or to obtain an Alternate Credit Enhancement or  
2302 Alternate Liquidity Facility at any time and from time to time when the Finance Director,  
2303 in consultation with the county's financial advisors, determines that any such extension or  
2304 substitution is necessary or beneficial to the county. The council authorizes and directs  
2305 the Finance Director and all other proper officers, agents, attorneys and employees of the  
2306 county to cooperate with the Credit Provider, the Liquidity Provider, or the providers of  
2307 any Alternate Credit Enhancement or Alternate Liquidity Facility in preparing and  
2308 executing such additional agreements, certificates, and other documentation on behalf of  
2309 the county as may be necessary or advisable in providing for any such extension or  
2310 substitution.

2311 **ARTICLE X**

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**AMENDMENTS**

**SECTION 10.1. Amendments without Owners' Consent.** This ordinance may

be amended or supplemented from time to time, without the consent of the Owners by a supplemental ordinance passed by the county council for one or more of the following purposes:

(a) to add additional covenants of the county or to surrender any right or power herein conferred upon the county; or

(b) to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provision hereof or otherwise) provision of this ordinance or to make any other provisions with respect to matters or questions arising under this ordinance, provided such action may not impair the security hereof or adversely affect the interests of the Owners; or

(c) to provide or modify procedures permitting Owners to utilize a certificated system of registration for Bonds; or

(d) to modify, alter, amend, supplement or restate this ordinance in any and all respects necessary, desirable or appropriate in connection with the delivery of an Alternate Credit Enhancement or Alternate Liquidity Facility (other than modifying notice provisions to Owners of the Bonds); or

(e) to modify, alter, amend, supplement or restate this ordinance in any and all respects necessary, desirable or appropriate to satisfy the requirements of any Rating Agency to obtain or retain a rating on the Bonds as the county deems necessary, provided that such action may not impair the security hereof or materially adversely affect the interests of the Owners; or

2335 (f) for any purpose, (i) on any Mandatory Purchase Date and (ii) at any time  
2336 during the Daily Mode or the Weekly Mode, provided that notice of such amendment is  
2337 given by first class mail to each Owner of Bonds at least 30 days prior to the effective  
2338 date of such amendment.

2339 **SECTION 10.2. Amendments with Owners' Consent.** This ordinance may be  
2340 amended from time to time by a supplemental ordinance; provided, that (a) no  
2341 amendment may be made that affects the rights of some but fewer than all of the Owners  
2342 of the Outstanding Bonds without the consent of the Owners of 51% in aggregate  
2343 principal amount of the Bonds so affected, and (b) without the consent of the Owners of  
2344 all Outstanding Bonds affected thereby, no amendment may be made that alters the  
2345 interest rates or premium on or principal amount of any Bonds, the Maturity Date,  
2346 Interest Payment Dates, purchase upon tender or redemption provisions of any Bonds or  
2347 this Section 10.2. Notwithstanding any provision of this Section 10.2 to the contrary, so  
2348 long as no event of default has occurred under the Credit Enhancement, any provision of  
2349 this ordinance may be amended with the consent solely of the Credit Provider for such  
2350 Credit Enhancement.

2351 **SECTION 10.3. Consent of Credit Provider and Liquidity Provider**  
2352 **Required.** Any amendment or supplement to this ordinance must require the prior  
2353 written consent of the Credit Provider and Liquidity Provider if the rights of the Credit  
2354 Provider or the Liquidity Provider, as the case may be, will be adversely affected thereby.

2355 **ARTICLE XI**

2356 **MISCELLANEOUS**

2357 **SECTION 11.1. Specific Authorization.** In addition to the authority granted to



2358 the Finance Director elsewhere in this ordinance, the Finance Director may, in his or her  
2359 discretion, without further action by the county council, (a) authorize conversions from  
2360 one Mode to another and execute agreements and certificates as necessary or desirable to  
2361 effect such conversions, and (b) execute a continuing disclosure undertaking on behalf of  
2362 the county when necessary to comply with the Rule.

2363         SECTION 11.2. Acts of Owners. Any action to be taken by Owners may be  
2364 evidenced by one or more concurrent written instruments of similar tenor signed or  
2365 executed by such Owners in person or by an agent appointed in writing. The fact and  
2366 date of the execution by any Person of any such instrument may be proved by  
2367 acknowledgment before a notary public or other officer empowered to take  
2368 acknowledgments or by an affidavit of a witness to such execution or by any other  
2369 method satisfactory to the Registrar. Any action by the Owner of any Bond will bind all  
2370 future Owners of the same Bond or of any Bond issued upon the exchange or registration  
2371 of transfer thereof in respect of anything done or suffered by the county or the Registrar  
2372 in pursuance thereof.

2373         SECTION 11.3. Notices to Notice Parties. Except as otherwise specifically  
2374 provided for in this ordinance, all notices required by the terms hereof to be given to the  
2375 Registrar, the county or the Owners of the Bonds will be deemed given, if given in  
2376 writing and mailed by first-class mail, postage prepaid, and

2377             (a) if to the Registrar, Tender Agent or Paying Agent, addressed to The Bank of  
2378 New York Mellon, at 101 Barclay Street, 7W, New York, NY 10286, Attention:  
2379 Corporate Trust Registrar Administration;

2380             (b) if to the county, addressed to King County, Office of the Director, Finance

2381 and Business Operations Division, at 500 Fourth Avenue, Room 600, Seattle, WA 98104,  
2382 Attention: Treasury Services;

2383 (c) if to the Credit Provider, addressed to it at the address set forth in the  
2384 Reimbursement Agreement;

2385 (d) if to the Liquidity Provider, addressed to it at the address set forth in the  
2386 Reimbursement Agreement;

2387 (e) if to the Remarketing Agent, addressed to it at the address set forth in the  
2388 Remarketing Agreement; and

2389 (f) if to any owner of a Bond, addressed to such owner at the address set forth in  
2390 the Bond Register; or, as to the county or the Registrar, as any of them will from time to  
2391 time designate by notice in writing to the others.

2392 **SECTION 11.4. Notice to Rating Agencies.** At such time as (i) there is a  
2393 change in the Registrar, Tender Agent, Paying Agent, Remarketing Agent, Credit  
2394 Provider, or Liquidity Provider, or any successors thereto, (ii) any amendment is made to  
2395 this ordinance, a Credit Enhancement or a Liquidity Facility, (iii) a Credit Enhancement  
2396 or Liquidity Facility expires or terminates or is extended or replaced, (iv) the county  
2397 issues additional Multi-Modal LTGO/Sewer Revenue Bonds, or (v) whenever there is (A)  
2398 a conversion of the Bonds from one Interest Rate Mode to another, (B) a redemption or  
2399 defeasance of the Bonds, (C) a mandatory tender for purchase of the Bonds in the event  
2400 of nonreinstatement of interest after an interest drawing on the Credit Enhancement or  
2401 Liquidity Facility, (D) the occurrence of an event of default under a Liquidity Facility, or  
2402 (E) an acceleration of the county's obligations under a Liquidity Facility, the county will  
2403 give written notice of the same to Moody's at 7 World Trade Center, 250 Greenwich

2404 Street, New York, NY 10007, Attention: Public Finance Group - Full Support Group;  
2405 and to S&P, 55 Water Street, New York, NY 10041, Attention: Municipal Structured  
2406 Finance Group. In addition, copies of all notices required to be given under this  
2407 ordinance will likewise be given to the Rating Agencies at the addresses set forth in the  
2408 preceding sentence, and the county will provide to any Rating Agency any other  
2409 information reasonably requested by the Rating Agency to maintain the ratings of the  
2410 Bonds.

2411           SECTION 11.5. Legal Investments. The county reserves the right to purchase  
2412 Bonds at any time as a legal investment for funds of the county including but not limited  
2413 to funds held by the county for the investment pool established pursuant to K.C.C.  
2414 Chapter 4.10.

2415           SECTION 11.6. Severability. In case any one or more of the provisions of this  
2416 ordinance or of the Bonds is, for any reason, held to be illegal or invalid, such illegality  
2417 or invalidity will not affect any other provisions of this ordinance or of such Bonds, and  
2418 this ordinance and the Bonds will be construed and enforced to the end that the  
2419 transactions contemplated hereby be effected and the obligations contemplated hereby be  
2420 enforced as if such illegal or invalid provisions had not been contained therein.

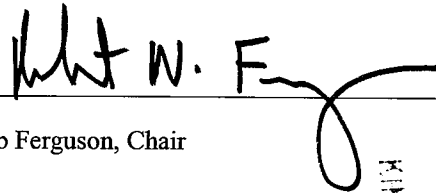
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2422            **SECTION 11.7. Effective Date.** This ordinance will be effective 10 days after  
2423 its enactment, in accordance with Article II of the county charter.

Ordinance 16721 was introduced on 11/23/2009 and passed as amended by the Metropolitan King County Council on 12/14/2009, by the following vote:

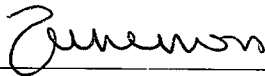
Yes: 7 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Patterson, Mr. Ferguson and Mr. Dunn  
No: 0  
Excused: 1 - Ms. Lambert

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



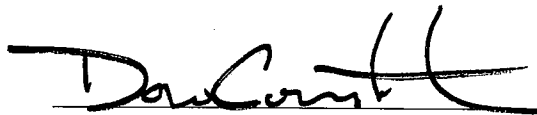
Bob Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 21<sup>st</sup> day of December, 2009.



Dow Constantine, County Executive

RECEIVED  
2009 DEC 22 PM 4:12  
CLERK  
KING COUNTY COUNCIL

**Attachments:** A. Form of 2010A Bonds, B. 2010A Remarketing Agreement, C. \$50,000,000 King County, Washington Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A, D. Form of Liquidity Facility

ATTACHMENT A  
FORM OF 2010A BONDS

No. R-\_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

KING COUNTY

MULTI-MODAL LIMITED TAX GENERAL OBLIGATION BOND  
(PAYABLE FROM SEWER REVENUE), SERIES 2010A

MATURITY DATE:

ISSUE DATE:

CUSIP:

REGISTERED OWNER: CEDE &amp; CO.

PRINCIPAL AMOUNT:

King County, Washington (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon from the date hereof, or the most recent date to which interest has been paid or duly provided for, until payment of this Bond at the interest rates determined as provided in the Bond Ordinance (hereinafter identified), payable on each Interest Payment Date.

Both principal of and interest on this Bond are payable in lawful money of the United States of America. While bonds are held in an immobilized "book-entry" system of registration, payments of principal thereof and interest thereon will be made in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the County to DTC. When bonds are no longer held in an immobilized "book-entry" registration system, principal is payable to the Registered Owner upon presentation and surrender of this Bond at the office of the fiscal agency of the State of Washington in New York, New York (the "Registrar"), and interest will be paid by check or draft of the Registrar mailed by first-class mail to the Registered Owner at the address as it appears on the registration books maintained by the Registrar.

This Bond is one of a duly authorized issue of King County, Washington, Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A (the "Bonds"). The Bonds are issued in the aggregate principal amount of \$50,000,000 under the authority of and in full compliance with the Constitution and statutes of the State of Washington, the charter of King County, and pursuant to Ordinance \_\_\_\_\_ passed by the King County Council on \_\_\_\_\_, 2009 (the "Bond Ordinance"). Capitalized terms used herein and not otherwise defined have the meanings set forth in the Bond Ordinance, unless the context otherwise requires.

The Bonds are issued by the County to finance the cost of improvements to the County's sewer system (the "System"). Issued simultaneously with the Bonds are the County's Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010B, in the aggregate principal amount of \$50,000,000 (the "Series 2010B Bonds").

The Bonds are subject to optional and mandatory tender for purchase and optional redemption prior to maturity as provided in the Bond Ordinance. This Bond may be transferred and exchanged as provided in the Bond Ordinance.

The Bonds are general obligations of the County. The County has irrevocably covenanted and agreed for as long as any of the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax upon all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same become due. The County has pledged that the annual tax authorized to be levied for the payment of such principal and interest shall be within and a part of the tax levy permitted to counties without a vote of the people. The County has irrevocably pledged its full faith, credit and resources pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same become due.

The County has further obligated and bound itself to set aside and pay into the Bond Fund out of Revenue of the System amounts sufficient to pay when due the principal of and

interest on the Bonds. The pledge of Revenue of the System constitutes a lien and charge on such revenue subject to Operating and Maintenance Expenses of the System and junior, subordinate and inferior to the lien and charge on such revenue securing payment of the Parity Bonds; junior, subordinate and inferior to the lien and charge on such Revenue securing payment of the Parity Lien Obligations, junior, subordinate and inferior to the lien and charge on such Revenue securing payment of the Junior Lien Obligations; equal to the lien and charge on such Revenue securing payment of the Series 2010B Bonds and any other Multi-Modal LTGO/Sewer Revenue Bonds; and superior to all other liens and charges of any kind or nature, including, *inter alia*, the lien and charge on such Revenue securing payment of the Subordinate Lien Obligations, and the SRF Loans and Public Works Trust Fund Loans.

The pledge of tax levies and revenues and other obligations of the County under the Bond Ordinance may be discharged prior to maturity of the Bonds by making provisions for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington and the Charter and ordinances of the County to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, King County, Washington, has caused this bond to be executed with the manual or facsimile signatures of the County Executive and Clerk of the County Council and caused a facsimile of the official seal of the County to be reproduced hereon.

KING COUNTY, WASHINGTON

(SEAL)

By \_\_\_\_\_ /s/ \_\_\_\_\_  
County Executive

ATTEST:

By \_\_\_\_\_ /s/ \_\_\_\_\_  
Clerk of the County Council

The Certificate of Authentication for the Bonds shall be in substantially the following form and shall appear on each Bond:

AUTHENTICATION CERTIFICATE

This bond is one of the King County, Washington, Multi-Modal Limited Tax General Obligations Bonds (Payable from Sewer Revenue), Series 2010A, described in the within-mentioned Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY, as  
Registrar

By \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_



ASSIGNMENT

The following abbreviations, when used in the inscription on the face of the within-mentioned bond and in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM: as tenants in common  
TEN ENT: as tenants by the entireties  
JT TEN: as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned registered bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_, attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

Dated: \_\_\_\_\_

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution.

FP DRAFT 12/10/09

**REMARKETING AGREEMENT**

between

KING COUNTY, WASHINGTON

and

GOLDMAN, SACHS & CO.

Dated [\_\_\_\_\_]

Relating to

KING COUNTY, WASHINGTON

Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue)  
Series 2010A

**REMARKETING AGREEMENT**

This REMARKETING AGREEMENT, dated [\_\_\_\_\_] (this "Agreement"), between KING COUNTY, WASHINGTON (the "County") and GOLDMAN, SACHS & CO. (the "Remarketing Agent"),

WITNESSETH:

WHEREAS, the County is issuing \$50,000,000 aggregate principal amount of its Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A (the "Bonds"), pursuant to Ordinance [\_\_\_\_\_] , adopted by the King County Council on [\_\_\_\_\_] (the "Bond Ordinance"); and

WHEREAS, the Bonds were sold pursuant to a bond purchase contract, dated [\_\_\_\_\_] (the "Purchase Contract"), between the County and Goldman, Sachs & Co., as the underwriter for the Bonds; and

WHEREAS, the Bonds and the Bond 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 Bond Ordinance; and

WHEREAS, concurrently with the execution and delivery of this Remarketing Agreement, the County is entering into a Standby Bond Purchase Agreement (the "Liquidity Facility") among the County, The Bank of New York Mellon, as registrar (the "Registrar") and State Street Bank and Trust Company (the "Liquidity Provider"), which will provide liquidity support for those Bonds tendered for purchase and not remarketed; and

WHEREAS, the Bond Ordinance provides for the appointment of a remarketing agent to perform certain duties, including the use of best efforts to remarket any Bonds tendered for purchase by the Owners, subject to the terms and conditions set forth in this Agreement; and

WHEREAS, Goldman, Sachs & Co. has agreed to accept the duties and responsibilities of the remarketing agent under the Bond 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 (whether used in the recitals hereto or hereinafter in the Agreement) shall have the meanings ascribed to them in the Bond Ordinance. Any references in this Agreement to the Liquidity Facility or the Liquidity Provider shall be disregarded at any time that no Liquidity Facility is in effect, and any references in this Agreement to the Credit Enhancement or the Credit Provider shall be disregarded at any time that no Credit Enhancement is in effect.

**Section 2. Appointment of Remarketing Agent.** Subject to the terms and conditions contained herein, the County hereby appoints Goldman, Sachs & Co. as exclusive Remarketing Agent for the Bonds, and Goldman, Sachs & Co. hereby accepts such appointment.

**Section 3. Responsibilities of Remarketing Agent.** Subject to the terms and conditions set forth in this Agreement, Goldman, Sachs & Co. agrees to perform the duties of Remarketing Agent set forth in the Bond Ordinance, this Agreement and the operational arrangements contained in the Blanket Issuer Letter of Representations from the County to The Depository Trust Company (the "Letter of Representations"). In undertaking to perform such duties, and in the performance thereof, the Remarketing Agent will act solely as an agent and not as a principal except as expressly provided in Section 14. The Remarketing Agent is not obligated to buy or take any position in the Bonds for its own account.

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

(b) Remarketing the Bonds. Unless otherwise instructed by the County, the Remarketing Agent shall use its best efforts to remarket Bonds or portions thereof consistent with the Bond Ordinance.

(c) Optional Suspension of Remarketing Efforts. The Remarketing Agent 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) suspension or material limitation in trading in securities generally on the New York Stock Exchange;

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

(3) the engagement or escalation by the United States in hostilities if the effect of such engagement or escalation, in the Remarketing Agent's judgment, makes it impractical or inadvisable to proceed with the solicitation of offers to purchase 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 Official Statement (as defined in Section 5) provided to the Remarketing Agent in connection with the performance of its duties hereunder, whether provided pursuant to Section 5 or otherwise, or causes the Official Statement 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 or national securities exchange 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, which, in the Remarketing Agent's judgment, materially affect the marketability of the Bonds;

(7) any withdrawal, suspension or downgrading of the ratings on the Bonds by Moody's or S&P;

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

(9) the County fails to observe any of the covenants or agreements made herein or the County is no longer a political subdivision under the laws of the State of Washington (the "State") or no longer has the authority to, or does not perform and observe, the covenants and agreements on its part contained in this Agreement or the Bond Ordinance; or

(10) a statute is enacted, or a ruling, regulation or official statement is issued by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency, the effect of which is to cause interest on the Bonds to be treated as includable in gross income for federal income tax purposes; or

(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 acceptance 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 the Remarketing Agent's judgment makes it impractical to market the Bonds or to enforce contracts for the sale of the Bonds.

(d) Notice of Suspension of Remarketing Efforts. If the Remarketing Agent suspends its remarketing efforts, it shall immediately notify the County, the Credit Provider, the Liquidity Provider and the Registrar by Electronic Means. When the Remarketing Agent has determined that the situation that caused the suspension has been rectified or no longer applies, the Remarketing Agent shall immediately notify the County, the Credit Provider, the Liquidity Provider and the Registrar by Electronic Means that it will remarket such Bonds.

**Section 4. Resignation and Removal of Remarketing Agent.** The Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the County, the Registrar, the Credit Provider and the Liquidity Provider with 30 days' prior written notice; provided, that in the event a successor Remarketing Agent shall have not been appointed within such 30-day period, at the request of the County (not less than three days prior to expiration of such 30-day period), the Remarketing Agent's resignation and discharge from its duties and obligations under this Agreement will not be effective until the earlier to occur of (i) the appointment of a successor Remarketing Agent and (ii) the date that is 30 days after the end of such 30-day period. The County shall use all commercially reasonable efforts to expeditiously secure the appointment of a successor Remarketing Agent and any required consent to such appointment. The Remarketing Agent may be removed upon 60 days' notice upon the written request of the County and upon written notice to the Remarketing Agent, the Registrar, the Credit Provider and the Liquidity Provider. No prior notice of resignation by the Remarketing Agent shall be required if the Credit Provider or the Liquidity Provider has suspended or terminated its obligation to purchase Bonds under the Credit Enhancement or the Liquidity Facility and the County has not provided an Alternate Credit Enhancement or Alternate Liquidity Facility. No prior notice of the removal of the Remarketing Agent by the County shall be required if the Remarketing Agent has suspended remarketing for any reason or if the County has determined that the Remarketing Agent is no longer performing its material obligations under this Agreement.

**Section 5. Official Statement.**

(a) The County represents that the Official Statement dated [\_\_\_\_], relating to the Bonds (the "Official Statement"), as of the date of this Agreement, does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make such statements therein, in light of the circumstances under which they were made, not misleading. The County agrees to pay the preparation costs of as many copies of the Official Statement as the Remarketing Agent may reasonably request, including all the appendices thereto and information incorporated by reference therein and such other information associated with the County, the Bonds and the security for the Bonds as the Remarketing Agent shall reasonably request from time to time; provided, that no such material shall be finalized unless the Remarketing Agent and its counsel have had opportunity to review and comment upon the same.

(b) If at any time during the term of this Agreement any event or condition known to the County relating to or affecting the County or its properties, the Bonds, the security for the Bonds, the Bond Ordinance, the Credit Enhancement, the Liquidity Facility or the documents or transactions contemplated thereby shall occur which, in the reasonable judgment of the County or the Remarketing Agent, might affect the accuracy, correctness or completeness of any statement of a material fact contained in the Official Statement, as it shall have been supplemented or amended from time to time pursuant to this Section, which in the reasonable judgment of the County or the Remarketing Agent might result in the Official Statement, as so supplemented or amended, containing any untrue, incorrect or misleading statement of material fact or omitting to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, then: (i) the County shall promptly notify the Remarketing Agent of the circumstances and details of such event; (ii) if, in the opinion of Remarketing Agent, such event or condition requires the

preparation and publication of an amendment or supplement to the Official Statement, the County at its expense shall promptly prepare or cause to be prepared an appropriate amendment or supplement thereto, in a form and manner approved by the Remarketing Agent, so that the statements in the Official Statement, as so amended or supplemented, will not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and (iii) the County shall take all necessary action to approve such supplement or amendment.

**Section 6. Fees and Expenses.** For the Remarketing Agent's services under this Agreement and the Bond Ordinance, the County will pay the Remarketing Agent a fee of [\_\_\_\_\_] basis points (0.[\_\_\_\_\_]%) per annum when the Bonds are in the Weekly Mode or the Flexible Mode, based on the average aggregate principal amount of Bonds outstanding for the immediately preceding three-month period. The County will pay the fee quarterly in arrears commencing April 1, 2010, based on the actual number of days elapsed over 365 or 366, as appropriate. The fee when the Bonds are in any other Interest Rate Mode shall be negotiated by the County and the Remarketing Agent. If this Agreement is terminated, fees shall be prorated since the end of the last quarter. When Bonds are remarketed in connection with the conversion to the Term Rate Mode or Fixed Rate Mode, the County and the Remarketing Agent shall negotiate a fee. The County shall pay all direct, out-of-pocket expenses incurred by the Remarketing Agent in connection with the initial sale of the Bonds and the conversion of the Bonds to the Term Rate Mode or Fixed Rate Mode including the preparation of a new disclosure document.

**Section 7. Representations, Warranties, Covenants and Agreements of the Remarketing Agent.** The Remarketing Agent, by its acceptance hereof, represents, warrants and covenants and agrees with the County that it:

(a) is a member of the Financial Industry Regulatory Authority and otherwise meets the requirements for the Remarketing Agent set forth in the Bond Ordinance;

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

(c) 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, the Letter of Representations and the Bond Ordinance; and

(d) shall keep such books and records with respect to the Bonds as shall be consistent with prudent industry practice and to make such books and records available for inspection by the County and the Registrar at all reasonable times upon five days' prior written notice.

**Section 8. Representations, Warranties, Covenants and Agreements of the County.** The representations, warranties, covenants and agreements of the County set forth in the Purchase Contract are hereby incorporated herein as being made as of the date hereof. In addition, the County, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

- (a) the County is a political subdivision under the laws of the State;
- (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, the Bond Ordinance, the Liquidity Facility 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 adoption and performance of the Bond Ordinance; (ii) the execution, delivery and performance of this Agreement, the 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 (iii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the foregoing instruments and agreements;
- (d) the information contained herein and in every certificate, notice or other written information furnished by the County in connection with this Agreement and the issuance, sale and remarketing of the Bonds is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements, information and descriptions therein, in light of the circumstances under which they were made, not misleading;
- (e) the County shall promptly notify the Remarketing Agent by Electronic Means 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 Bond Ordinance, the Credit Enhancement or the Liquidity Facility;
- (f) the County shall provide the Remarketing Agent (i) within seven months after the end of each fiscal year or as soon thereafter as available, written notice that the County's Comprehensive Annual Financial Report (CAFR) and annual budget are each available on the County's website (currently [www.kingcounty.gov](http://www.kingcounty.gov)) and (ii) such other information and materials (to the extent that such information and materials are within the possession of the County and constitute public records) with respect to the County and the Bonds as the Remarketing Agent may reasonably request from time to time in connection with the remarketing of the Bonds; and
- (g) the County shall provide the Remarketing Agent with notice of redemption of Bonds at the times and in the manner that notice is provided to the Owners under Section 3.5 of the Bond Ordinance.



**Section 9. Conditions to Remarketing Agent's Obligations.** The obligations of the Remarketing Agent under this Agreement are subject, in the discretion of the Remarketing Agent, to the following conditions:

(a) the Bond Ordinance, the Purchase Contract and the Liquidity Facility (or any Alternate Credit Enhancement or Alternate Liquidity Facility) shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required by the Internal Revenue Service or Bond Counsel in order to establish the tax-exempt status of interest on the Bonds) and opinions necessary to effect a secondary remarketing of the Bonds in the manner contemplated by this Agreement, which resolutions, agreements, certificates and opinions shall be reasonably satisfactory in form and substance to the Remarketing Agent;

(b) no occurrence of an event of default under the Bond Ordinance, the Purchase Contract or the Liquidity Facility (or any Alternate Credit Enhancement or Alternate Liquidity Facility) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an event of default;

(c) at or prior to the Closing Date, the Remarketing Agent shall have received all documents required by, and delivered pursuant to, the Purchase Contract; and

(d) in the event that the Bonds shall be or become subject to registration under the Securities Act, there shall be in full force and effect all such registration statements, offering materials, opinions and other filings or documents as may be necessary in the reasonable opinion of the Remarketing Agent to effect a secondary remarketing of the Bonds in the manner contemplated by this Agreement.

**Section 10. Indemnification.** To the extent permitted by law, the County shall indemnify and hold harmless the Remarketing Agent, each of its officers and employees and each person who controls any of the Remarketing Agent 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 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 or 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. 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 (acceptable to such Indemnified Party) and (ii) control and direct any defense of such claims in such action; provided, that the County cannot settle without the Indemnified Party's consent

unless such settlement (i) includes an unconditional release of each Indemnified Party from all liability arising out of such action and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party. An Indemnified Party shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the employment of such counsel has been specifically authorized by the County or (ii) such Indemnified Party shall have reasonably concluded that there may be defenses available to it that are different from or additional to those available to the County, in each of which case the fees and expenses of such separate counsel shall be borne by the County. 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.

**Section 11. 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 12. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State. Venue shall be in the Superior Court of the State of Washington for King County, Washington or in the United States District Court, Western District of Washington, in Seattle, Washington.

**Section 13. Waiver of Jury Trial.** THE COUNTY AND THE REMARKETING AGENT EACH HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE BOND ORDINANCE, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE). THE COUNTY AND THE REMARKETING AGREEMENT EACH ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**Section 14. Dealing in Bonds by the Remarketing Agent.** The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, including, without limitation, any Bonds offered and sold by the Remarketing Agent pursuant to this Agreement, and may join in any action which 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 other obligations of the County as freely as if it did not act in any capacity hereunder.

**Section 15. 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 16. Miscellaneous.**

(a) Notices. 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:

Goldman, Sachs & Co.  
85 Broad Street, 29th Floor  
New York, New York 10004  
Attention: Municipal Money Market Desk  
Telephone: (212) 902-6633  
Telecopy: (212) 428-3132  
Email: gs-vrdb@gs.com

The County:

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

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

(b) Third Party Beneficiary; Successors and Assigns. 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 purchaser of any of the Bonds merely because of such purchase. None of the Credit Provider, the Liquidity Provider or any Owner or other third party shall have any rights or privileges hereunder.

(c) Duration of Representations and Warranties. The parties’ obligations to have made accurate representations and to have made warranties in good faith shall remain operative and in full force and effect regardless of the termination or cancellation of this Agreement.

(d) Amendments to Documents. This Agreement and each provision hereof may be amended, changed or waived only by an instrument in writing signed by the parties hereto. The County shall not amend the Bond Ordinance or the Letter of Representations or permit the Bond Ordinance or the Letter of Representations to be amended in a manner that affects the duties of the Remarketing Agent without the prior written consent of the Remarketing Agent.

(e) Employee and Fiduciary Relationships. 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) Severability. 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.

(g) Headings. Section headings have been inserted in this Agreement only as a matter of convenience of reference, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

(h) 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.

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

KING COUNTY, WASHINGTON

GOLDMAN, SACHS & CO.

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

\_\_\_\_\_

\$50,000,000  
KING COUNTY, WASHINGTON  
Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue),  
Series 2010A

BOND PURCHASE CONTRACT

[\_\_\_\_], 2010

King County, Washington

Ladies and Gentlemen:

Goldman, Sachs & Co. (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 (Payable from Sewer Revenue), Series 2010A (the "Bonds"), at the Closing (defined below). The purchase price for the Bonds shall be \$[\_\_\_\_] (representing the principal amount of the Bonds less an underwriting discount of \$[\_\_\_\_]) (the "Purchase Price"). The Bonds shall be dated the Closing Date (defined below), shall mature on January 1, 2040, and shall be fully registered as to both principal and interest. 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 [\_\_\_\_] (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 [\_\_\_\_\_] (the “Bond Ordinance”), authorizing the issuance and sale of the Bonds, 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”). 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 [\_\_\_\_\_] , 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 Finance and Business Operations Division. 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 Issuer 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 or its agent 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 Goldman, Sachs & Co. and the Standby Bond Purchase Agreement to be dated as of [\_\_\_\_\_] (the “Standby Bond Purchase Agreement”) by and among the County, The Bank of New York Mellon (the “Registrar”) and State Street Bank and Trust Company (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 County's pledge under the Bond Ordinance of the Revenue of the System and all money credited to the Multi-Modal LTGO/Sewer Revenue Bond Fund; (iv) the accuracy, completeness or fairness of the Official Statement; or (v) 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 Matters” 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 obligations of the County for borrowed money payable from and secured by a lien on or pledge of the Revenue of the System, 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 certificate signed by any 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 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 Matters" 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 K&L Gates LLP, 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 Bank to rely on such opinion as if such opinion were addressed to the Bank.

(ii) An opinion of K&L Gates LLP, 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 Bond Ordinance creates the valid pledge of and lien on the Revenue of the System that it purports to create; (E) the County has duly authorized an appropriate representative to approve and execute the Official Statement; (F) 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; (G) 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 (H) 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") and in Appendices A and B, insofar as such statements contained under such captions or in such appendices 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 (I) without having undertaken to determine independently the accuracy and completeness of the statements contained in the

Official Statement, except as expressly set forth in the preceding clause (H), 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.

(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 Winston & Strawn 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 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 “[ ]” and “[ ]” by Moody’s and S&P, respectively, and short-term ratings of “[ ]” and “[ ]” by Moody’s and S&P, 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 and warranties 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 Matters” and the information concerning DTC in Appendix F—“BOOK-ENTRY SYSTEM”); (C) the County is not 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 or any obligations of the County for borrowed money payable from and secured by a lien on or pledge of the Revenue of the System; (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 or obligations of the County for borrowed money payable from and secured by a lien on or pledge of the Revenue of the System 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 contain any untrue statement of a material fact or omit or fail 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 Matters” 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 or obligations of the County for borrowed money payable from and secured by a lien on or pledge of the Revenue of the System; 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 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 suspension of trading on the New York Stock Exchange or other major securities exchange shall be in force, 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 any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction.

(f) A general banking moratorium shall have been established by the United States or State of New York or State of Washington authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred.

(g) Any amendment to the Constitution of the United States, any legislation enacted by the United States, any decision of any court of the United States, 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.

(h) Any rating of the Bonds or any other obligations of the County or the Bank shall have been downgraded, suspended or withdrawn or placed on credit watch with a negative outlook 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.

(i) 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 K&L Gates LLP, 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 or FINRA; (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 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 or 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; provided, that 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 Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the County by the Underwriter specifically for inclusion therein under the heading “OTHER INFORMATION—Underwriting.” 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 (acceptable to such Indemnified Party) and (ii) control and direct any defense of such claims in such action; provided, that the County cannot settle without the Indemnified Party’s consent unless such settlement (i) includes an unconditional release of each Indemnified Party from all liability arising out of such action and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party. An Indemnified Party shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the employment of such counsel has been specifically authorized by the County or (ii) such Indemnified Party shall have reasonably concluded that there may be defenses available to it that are different from or additional to those available to the County, in each of which case the fees and expenses of such separate counsel shall be borne by the County. 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 Goldman, Sachs & Co., 2121 Avenue of the Stars, Suite 2600, Los Angeles, California 90067; Attention: Chris Higgins.

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.

15. Entire Agreement. This Purchase Contract constitutes the entire agreement between the Underwriter and the County with respect to the matters covered hereby and supersedes all prior agreements and understandings between the Underwriter and the County. This Purchase Contract shall only be amended, supplemented or modified in a writing signed by both the Underwriter and the County.

[Signature page follows]

16. 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,

GOLDMAN, SACHS & CO.

By: \_\_\_\_\_

Accepted on: [\_\_\_\_], 2010

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 (Payable from Sewer Revenue), Series 2010A, 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 dated [\_\_\_\_], relating to the Bonds 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: [\_\_\_\_], 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 State Street Bank and Trust Company (the "Bank"), in connection with the Standby Bond Purchase Agreement dated as of [\_\_\_\_\_] (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 the County's Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A (the "Bonds"), hereby certifies as follows:

1. The information relating to the Bank included in the Official Statement dated [\_\_\_\_\_] relating to the Bonds 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 K&L Gates LLP 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: [\_\_\_\_\_].

STATE STREET BANK AND TRUST COMPANY

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT B-2  
FORM OF CERTIFICATE  
OF  
STATE STREET BANK AND TRUST COMPANY

[Attach form of certificate evidencing authority of signatories to SBPA]

16721

W&S Draft  
10/12/09

ATTACHMENT D  
FORM OF LIQUIDITY FACILITY

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STANDBY BOND PURCHASE AGREEMENT

among

KING COUNTY, WASHINGTON,

THE BANK OF NEW YORK MELLON,  
as Registrar and Tender Agent,

and

STATE STREET BANK AND TRUST COMPANY, as Bank

---

dated as of December 1, 2009

relating to:

[\$100,000,000]  
King County, Washington  
Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue),  
Series 2009A and Series 2009B

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LIST OF EXHIBITS:

- Exhibit A - Notice of Bank Purchase (Liquidity Purchase)
- Exhibit B - Notice of Bank Purchase (Mandatory Purchase)
- Exhibit C - Form of Request for Extension of Stated Expiration Date
- Exhibit D - Custody Agreement

## STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT (this "Agreement") dated as of December 1, 2009, is among KING COUNTY, WASHINGTON, a political subdivision of the State of Washington (the "County"), THE BANK OF NEW YORK MELLON, in its capacity as fiscal agency for the State of Washington, as Registrar and Tender Agent (collectively, the "Tender Agent"), and STATE STREET BANK AND TRUST COMPANY (the "Bank").

### WITNESSETH:

WHEREAS, the County has authorized its Ordinance No. \_\_\_\_\_ passed by the County Council on September \_\_, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009A Ordinance") to provide for the issuance of the King County, Washington, Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009A (the "Series 2009A Bonds"), and its Ordinance No. \_\_\_\_\_ passed by the County Council on September \_\_, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009B Ordinance" and collectively with the Series 2009A Ordinance, the "Ordinances") to provide for the issuance of the King County, Washington, Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009B (the "Series 2009B Bonds" and collectively with the Series 2009A Bonds, the "Bonds");

WHEREAS, pursuant to the terms of the Ordinances and subject to the conditions described therein, the Bonds bear interest at a Daily Rate, Weekly Rate, Flexible Rate, LIBOR Index Rate, Term Rate or Fixed Rate and, while bearing interest in certain interest rate modes, are subject to purchase at various times before the maturity thereof; and

WHEREAS, the Bonds bearing interest at the Daily Rate or the Weekly Rate are subject to purchase from time to time at the option of the beneficial owners thereof and are required to be purchased in certain events; and in order to further assure the availability of funds for the payment of the purchase price therefor, the County has provided for the remarketing of such Bonds in certain cases, and in certain other cases, to the extent such remarketing may not be successful, for the purchase of such Bonds by the provider of a liquidity facility, such provider being the Bank;

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

Section 1.01 Definitions. The following capitalized terms have the meanings indicated below unless the context shall clearly indicate otherwise. Other capitalized terms used in this Agreement and not defined in this Agreement shall have the meaning given those terms in the Ordinances.

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

"Alternate Base Rate" means a fluctuating rate of interest per annum equal to the higher of (i) the Federal Funds Rate plus three hundred basis points (3.0%), or (ii) the LIBOR Rate plus three hundred basis points (3.0%). Each change in the Alternate Base Rate shall take effect simultaneously with the corresponding change or changes in the Federal Funds Rate or the LIBOR Index Rate, as the case may be.

"Amortization End Date" means, with respect to any Liquidity Provider Bond, the third anniversary of the related Amortization Start Date.

"Amortization Payment Date" means, with respect to any Liquidity Provider Bonds, (a) the thirtieth (30<sup>th</sup>) day following the Amortization Start Date and each first Business Day of each third month thereafter occurring prior to the Amortization End Date, and (b) the Amortization End Date.

"Amortization Start Date" means, with respect to any Liquidity Provider Bond, the ninetieth (90<sup>th</sup>) day following the related Bank Purchase Date.

"Authorized Denominations" shall have the meaning given that term in the Ordinances.

"Available Commitment" means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

"Available Interest Commitment" initially means \$ \_\_\_\_\_, constituting interest for [35] days at [12%] per annum on the initial Available Principal Commitment, calculated on the basis of a year of 365 days and the number of days elapsed and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed \$ \_\_\_\_\_. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" initially means [\$100,000,000] and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to Section 2.03; (b) downward by the principal amount of any Bonds purchased by the Bank pursuant to Section 2.02; and (c) upward by the principal amount of any Bonds theretofore purchased by the Bank pursuant to Section 2.02, which are resold by a Liquidity Provider Bondholder pursuant to Section 2.04(b) or which cease to bear interest at the Bank Rate pursuant to Section 2.04(c). The Available Principal Commitment shall never exceed [\$100,000,000]. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

"Bank" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Bank Purchase Date" means a Business Day during the Bank Purchase Period on which the Bank is required to purchase Bonds pursuant to Section 2.02.

"Bank Purchase Period" means the period from the effective date of this Agreement to and including the earliest of (i) the Stated Expiration Date then in effect, (ii) the date on which no Bonds are Outstanding, (iii) the close of business on the Substitution Date, so long as the Bank has honored any purchase of Bonds resulting solely from such substitution, (iv) the close of business on the Purchase Termination Date, (v) the Business Day immediately succeeding the Conversion Date or (vi) the close of business on the date the Available Commitment is reduced to zero or otherwise terminated pursuant to Section 2.03.

"Bank Rate" means, for each period specified below with respect to any Liquidity Provider Bond, beginning with and including the related Bank Purchase Date and ending on but excluding the date they are repaid in full with interest thereon as provided herein, the interest rate specified with respect to such period, which interest rates shall be computed on the basis set forth in Section 3.04 hereof:

	<b>Period</b>	<b>Rate</b>
I.	Bank Purchase Date through 30 <sup>th</sup> day thereafter	Alternate Base Rate plus 0.50%
II.	31 <sup>st</sup> day through 90 <sup>th</sup> day thereafter	Alternate Base Rate plus 1.00%
III.	91st day and thereafter	Term Out Rate

*provided, however,* that (a) upon and following the occurrence of an Event of Termination hereunder, all amounts due hereunder shall bear interest in an amount equal to the Default Rate, (b) at no time shall the Bank Rate exceed the Maximum Interest Rate and (c) subject to satisfaction of the conditions set forth in Section 3.01 hereof regarding the conditions precedent to the commencement of a Term Out and notwithstanding the time periods set forth above, the Term Out Rate shall be applicable with respect to all Eligible Bonds purchased by the Bank on the final day of the Bank Purchase Period from and including such day. Notwithstanding the foregoing, at no time will the "Bank Rate," but only as such term is applied to any Liquidity Provider Bond, be lower than the rate of interest borne by Bonds that do not constitute Liquidity Provider Bonds.

"Bank Sale Date" shall have the meaning given that term in Section 2.04(b).

"Bankruptcy Code" means the Bankruptcy Code, 11 U.S.C. § 101, et seq., as amended.

"Bonds" shall have the meaning assigned to that term in the recitals to this Agreement and shall include, unless the context otherwise requires, all Liquidity Provider Bonds.

"Business Day" means any business day other than (i) a Saturday or Sunday, or (ii) a day on which the Registrar, Paying Agent, Tender Agent, or the Remarketing Agent are required or authorized to be closed, or (iii) a day on which the office of the Bank at which it will pay

advances are required or authorized to be closed, or (iv) a day on which The New York Stock Exchange is closed.

"Closing Date" means the date on which the Bonds are initially issued and delivered by the County.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment Fee" shall have the meaning given that term in Section 2.05(a).

"Conversion Date" means the date the Bonds no longer are in a Daily Mode or a Weekly Mode.

"County" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Custodian" means the state fiscal agency of the State of Washington, currently The Bank of New York Mellon, or any successor thereto appointed pursuant to the terms of the Custody Agreement.

"Custody Agreement" means the Custody Agreement dated as of even date herewith between the Bank and the Custodian, substantially in the form of Exhibit D hereto, as amended from time to time.

"Daily Mode" shall have the meaning given that term in the Ordinances.

"Daily Rate" shall have the meaning given that term in the Ordinances.

"Default Rate" means the Alternate Base Rate from time to time in effect plus two and one-half percent (2.50%); *provided, however*, that the Default Rate shall never exceed the Maximum Interest Rate. The Default Rate shall change as and when the Alternate Base Rate changes.

"Default Tender" means a mandatory tender of the Bonds as a result of the Bank's delivery of a Notice of Termination to the County and the Tender Agent pursuant to Section 7.02(b).

"Defaulted Interest" means accrued interest payable on a Bond that was not paid by the County when due under the terms of the Ordinances.

"Deferred Interest" shall have the meaning given that term in Section 3.01(c).

"Deferred Interest Fee Amount" shall have the meaning given that term in Section 3.01(c).

"Depository" means The Depository Trust Company, New York, New York.

"Differential Interest Amount" means the amount equal to (a) the amount of interest on Liquidity Provider Bonds calculated at the Bank Rate, as provided under this Agreement.

payable on each Interest Payment Date to the owners of Liquidity Provider Bonds minus (b) the amount of interest on Liquidity Provider Bonds accruing at the applicable rate for Bonds other than Liquidity Provider Bonds during the interest rate period with respect to which interest is payable on that Interest Payment Date (which amount shall include interest on the sale date of the applicable Liquidity Provider Bonds).

"Dollars," and "\$" means the lawful currency of the United States of America.

"Eligible Bonds" means any Bonds in a Daily Mode or a Weekly Mode other than Liquidity Provider Bonds or Bonds owned by, for the account of, or on behalf of, the County.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Event of Termination" shall have the meaning given that term in Section 7.01.

"Extended Bank Purchase Period" shall have the meaning given that term in Section 8.05.

"Federal Funds Rate" means for any day the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day (or if such day is not a day for trading in Federal Funds by and between banks in the market, the next preceding day for such trading) by major banks in the interbank market, with any change in such rate to become effective as to the County on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the County absent manifest error.

"Fitch" means Fitch, Inc., its successors and assigns.

"Fixed Rate" shall have the meaning given that term in the Ordinances.

"Flexible Rate" shall have the meaning given that term in the Ordinances.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time, applied by the County on a basis consistent with the County's most recent financial statements.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind any of the parties to this Agreement at law.

"Guarantee" means the legal obligation to pay the Indebtedness or satisfy the liabilities of another Person, whether such guarantee is of payment or of performance.

"Immediate Termination Event" shall have the meaning given that term in Section 7.02(a).

"Indebtedness," with respect to a Person, means and includes (a) indebtedness for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) indebtedness arising under reimbursement obligations by virtue of drawings under a letter of credit or any other similar instrument, (d) obligations with respect to any conditional sale agreement or title retention agreement, (e) Guarantees, to the extent payments have been demanded, whether or not paid, (f) obligations under leases which are required to be capitalized by GAAP, and (g) indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person.

"Interest Component" shall have the meaning given that term in Section 2.01.

"Interest Payment Date" with respect to Bonds which are not Liquidity Provider Bonds, has the meaning assigned in the Ordinances and, with respect to Liquidity Provider Bonds, means each of the days upon which interest is payable as described in Section 3.02.

"LIBOR Index Rate" shall have the meaning given that term in the Ordinances.

"LIBOR Rate" means, for any day, the rate per annum equal (rounded upwards, if necessary) to the nearest 1/1000 of 1% for deposits in United States Dollars for a period equal to 30 days, as determined by the Bank from time to time (which rate is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to its customers). Each change in the LIBOR Rate shall take effect at the time of such change in such rate.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Liquidity Provider Bondholder" means the Bank (but only in its capacity as owner of Bonds acquired pursuant to this Agreement) and any other Person to whom the Bank has sold Liquidity Provider Bonds pursuant to Sections 2.04(a), 5.01(f) or 8.02.

"Liquidity Provider Bonds" means each Bond held by, or for the account of, a Liquidity Provider Bondholder.

"Mandatory Purchase Date" means each date Bonds are required to be purchased pursuant to Section 3.7 of the Ordinances.

"Maximum Interest Rate" means the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns, except that if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, then the term "Moody's" will be deemed to refer to any other nationally recognized securities rating agency selected by the County with the prior written approval of the Bank.

"Multi-Modal LTGO/Sewer Revenue Bonds" shall have the meaning given that term in the Ordinances.



"Notice of Bank Purchase" means in the case of a purchase of Eligible Bonds by the Bank pursuant to Section 3.6 of the Ordinances, a notice in the form of Exhibit A and in the case of a mandatory purchase of Bonds pursuant to Section 3.7 of the Ordinances, a notice in the form of Exhibit B.

"Notice of Termination" shall have the meaning given that term in Section 7.02(b).

"Official Statement" means the Official Statement (including any documents incorporated therein by reference and any exhibits or attachments thereto and any amendments thereof or supplements thereto) dated December \_\_\_, 2009, relating to the Bonds.

"Ordinances" shall have the meaning assigned to that term in the recitals to this Agreement and the term "Ordinance" shall refer to each Ordinance, individually.

"Other Taxes" shall have the meaning given that term in Section 2.07(a).

"Parity Indebtedness" means Indebtedness, including bonds, now or hereafter outstanding, which is secured by a pledge of (i) the full faith and credit of the County, or (ii) the Revenue of the System on a parity basis with, or is senior to, the Bonds.

"Participants" shall have the meaning given that term in Section 8.02.

"Payment Date" means, with respect to any Liquidity Provider Bond, the earliest to occur of (i) the Amortization End Date, (ii) the Conversion Date, (iii) the date on which no Bonds are Outstanding, and (iv) the effective date of a Substitute Liquidity Facility.

"Payment Office" means the wire transfer instructions of the Bank as described in Section 3.04(a).

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or a political subdivision or an agency or instrumentality thereof.

"Potential Termination Event" means the occurrence of any event which, with the passage of time, the giving of notice, or both, would become an Event of Termination.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Purchase Contract" means, with respect to a series of the Bonds, the bond purchase agreement relating to the initial sale and delivery on the Closing Date of such series of the Bonds by the County to the underwriter of such series of the Bonds.

"Purchase Price," with respect to any Bond or portion thereof on a Bank Purchase Date therefor, means the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Bank Purchase Date, in each case without premium; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date, interest payable

on such Bond on such Interest Payment Date shall be excluded from the computation of the Purchase Price payable by the Bank.

"Purchase Termination Date" means the close of business on the date on which the Bank is no longer required to purchase Tendered Bonds pursuant to Section 7.02(a), (b) or (c).

"Registrar" means the state fiscal agency of the State of Washington, currently The Bank of New York Mellon, and any successor Registrar duly appointed in accordance with the Ordinances and this Agreement.

"Related Documents" means the Ordinances, the Bonds, this Agreement, the Remarketing Agreement, the Purchase Contract, the Custody Agreement, the Official Statement, the Tax Certificate and any other agreement or instrument relating to the transactions contemplated hereby or thereby, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof.

"Remarketing Agent" means (i) Goldman, Sachs & Co., with respect to the Series 2009A Bonds, (ii) Citigroup Global Markets Inc., with respect to the Series 2009B Bonds, and (iii) any permitted successors to the foregoing under the Ordinances and this Agreement.

"Remarketing Agreement" means (i) the Remarketing Agreement dated as of December \_\_\_, 2009 between Goldman, Sachs & Co. and the County, as amended, modified or supplemented from time to time in accordance with the terms thereof and hereof, with respect to the Series 2009A Bonds, (ii) the Remarketing Agreement dated as of December \_\_\_, 2009 between Citigroup Global Markets Inc. and the County, as amended, modified or supplemented from time to time in accordance with the terms thereof and hereof, with respect to the Series 2009B Bonds, and (iii) any remarketing agreement in effect between a successor remarketing agent and the County pursuant to the terms of the Ordinances and the Agreement, as amended, modified or supplemented from time to time in accordance with the terms thereof and hereof.

"Revenue of the System" shall have the meaning given that term in the Ordinances.

"S&P" means Standard & Poor's Ratings Services, and its successors and assigns, except that if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, then the term "S&P" will be deemed to refer to any other nationally recognized securities rating agency selected by the County with the prior written approval of the Bank.

"Sale Price" shall have the meaning given that term in Section 2.04(b).

"Security" means the pledge by the County of (i) the full faith and credit of the County to make payments due and to levy taxes and (ii) the Revenue of the System to secure its payment obligations with respect to the Bonds, this Agreement and any other Multi-Modal LTGO/Sewer Revenue Bonds.

"Series 2009A Bonds" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all Liquidity Provider Bonds relating to such series.

"Series 2009B Bonds" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all Liquidity Provider Bonds relating to such series.

"Series 2009A Ordinance" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all amendments, supplements and modifications in accordance with the terms thereof and hereof.

"Series 2009B Ordinance" shall have the meaning assigned to that term in the recitals to this Agreement and shall include all amendments, supplements and modifications in accordance with the terms thereof and hereof.

"State" means the State of Washington.

"Stated Expiration Date" means the later of (i) December \_\_\_\_, 2012 or, if such day is not a Business Day, the Business Day immediately preceding such day and (ii) the last day of any extension of such date pursuant to Section 8.05 or, if such day is not a Business Day, the Business Day immediately preceding such day.

"Substitute Liquidity Facility" means, with respect to a series of the Bonds, a replacement standby bond purchase agreement or other alternate liquidity facility, which is accepted by the Registrar pursuant to the applicable Ordinance.

"Substitution Date" means the date on which a Substitute Liquidity Facility is accepted by the Registrar and becomes effective.

"Suspension Event" shall have the meaning given that term in Section 7.02(c).

"System" or "Sewer System" shall have the meaning given that term in the Ordinances.

"Tax Certificate" means the federal tax certificate with respect to certain federal tax matters executed on behalf of the County upon the issuance of the Bonds.

"Taxes" shall have the meaning given that term in Section 2.07(a).

"Tender Agent" means the state fiscal agency of the State of Washington, currently The Bank of New York Mellon, and any successor Tender Agent duly appointed in accordance with the Ordinances and this Agreement.

"Tendered Bonds" means, as of any date, Eligible Bonds which are tendered or deemed tendered for purchase pursuant to Section 3.6 or Section 3.7 of the Ordinances and which have not been remarketed.

"Term Out" means, with respect to any Liquidity Provider Bond, the period commencing on the first to occur of (i) the related Bank Purchase Date and (ii) the final day of the Bank Purchase Period, subject to Section 3.01 hereof.

"Term Out Rate" means the Alternate Base Rate plus one hundred and fifty basis points (1.50%) per annum.

"Termination Date" shall have the meaning given that term in Section 7.02(b).

"Weekly Mode" shall have the meaning given that term in the Ordinances.

"Weekly Rate" shall have the meaning given that term in the Ordinances.

"Written" or "in writing" means any form of written communication or a communication by means of telex, telecopier device, telegraph or cable.

Section 1.02 Interpretation. In this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "including" shall be deemed to be followed by the words "without limitation." All references to Sections and Exhibits shall be deemed references to Sections of and Exhibits to this Agreement unless the context shall otherwise require.

## ARTICLE II

### THE COMMITMENT; FEES

Section 2.01 Commitment to Purchase Bonds. The Bank agrees, on the terms and conditions contained in this Agreement, to purchase Tendered Bonds and any Bonds subject to purchase on a Mandatory Purchase Date, for the Bank's own account, from time to time during the Bank Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Bond purchased by the Bank on any Bank Purchase Date shall be an Authorized Denomination applicable to the Bonds, and in any case the aggregate principal amount of all Bonds purchased on any Bank Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the Purchase Price comprising interest on the Bonds (the "Interest Component") purchased on any Bank Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such Bond, other than Defaulted Interest, to but excluding such Bank Purchase Date; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Bond on such Interest Payment Date. Any Bonds so purchased shall thereupon constitute Liquidity Provider Bonds and shall, from the date of such purchase and for so long as the same constitute Liquidity Provider Bonds, bear interest at the Bank Rate subject to the provisions of Section 2.04(c) and have other characteristics of Liquidity Provider Bonds as set forth herein and in the Ordinances.

Section 2.02 Method of Purchasing. If by 12:00 p.m., noon (New York City time), on the applicable Bank Purchase Date, the Bank receives from the Tender Agent a notice substantially in the form of Exhibit A or Exhibit B, as the case may be (any such notice to be referred to as a "Notice of Bank Purchase"), the Bank will, during the Bank Purchase Period, unless the Bank is no longer obligated to purchase Bonds pursuant to this Agreement, transfer not later than 2:30 p.m. (New York City time) on the Bank Purchase Date to the Tender Agent, in funds to be available as specified in such Notice of Bank Purchase, an amount equal to the aggregate Purchase Price of the Bonds set forth in such Notice of Bank Purchase. The Bank

shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent (y) to credit the appropriate account with funds made available by the Bank pursuant to this Section 2.02 or (z) to effect the purchase for the account of the Bank of Bonds with such funds pursuant to this Section 2.02. The Bank shall purchase any Bonds it is required to purchase with its own funds and purchase payments shall be made in immediately available funds. Prior to the sale of any Liquidity Provider Bond by the Bank as provided in Section 2.04(a) or retention of any Liquidity Provider Bond by the Bank as provided in Section 2.04(c), the Bank agrees to give all notices in the manner and by the time required by the Depository to exclude such Liquidity Provider Bond from mandatory tenders of Bonds. Amounts made available hereunder which are not so used to purchase Bonds will be returned to the Bank by the Tender Agent no later than 3:30 p.m. New York City time on the applicable Bank Purchase Date.

So long as the Bonds are issued in book-entry form and held by the Tender Agent as custodian of the Depository as part of the Depository's fast automated transfer program ("FAST Eligible Bonds"), concurrently with the Tender Agent's receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Tender Agent, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the Depository account designated by the Bank as its account in which to hold Liquidity Provider Bonds purchased by it (each, the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Liquidity Provider Bond CUSIP number for such Bonds set forth below; and (B) debiting the book-entry account of the Depository for the Bonds (thereby reducing the principal balance of the global certificate representing the Bonds) (the "DTC Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank. The CUSIP number for the Series 2009A Bonds that are Liquidity Provider Bonds is \_\_\_\_\_ and the CUSIP number for the Series 2009B Bonds that are Liquidity Provider Bonds is \_\_\_\_\_. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Liquidity Provider Bonds in accordance with the terms of this Agreement and the Tender Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b) or a retention of Liquidity Provider Bonds by the Bank as provided in Section 2.04(c), the Tender Agent, as a participant of the Depository (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 Bonds so remarketed or retained; 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 Bonds so remarketed or retained. The Tender Agent 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 by DTC Notice number B3488-08, dated May 15, 2008, and agrees that, with respect to any and all Liquidity Provider 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 preceding provisions, the Tender Agent, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Tender Agent shall cause each Liquidity Provider Bond to be registered in the name of the Bank and shall be held by the Tender Agent 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 Liquidity Provider 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 the Liquidity Provider 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. The Custodian shall not be obligated to incur liabilities without being indemnified against the same to its reasonable satisfaction. Under no circumstances shall the Custodian deliver possession of the Bonds to, or cause 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 Liquidity Provider Bonds held for the Bank, 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 Bank's Payment Office. Upon the remarketing of any Liquidity Provider Bonds and the Tender Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b) or a retention of Liquidity Provider Bonds by the Bank as provided in Section 2.04(c), the Custodian shall release Liquidity Provider Bonds in a principal amount equal to the principal amount so remarketed or retained to the Remarketing Agent, the County or the Bank, as the case may be, in accordance with the terms of the Ordinances. 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 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, Liquidity Provider 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 Liquidity Provider Bonds, or any interest therein, or any proceeds thereof. 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 such Liquidity Provider Bonds. If the Custodian is holding Liquidity Provider Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect insurance coverages that are customary for banks or other financial institutions acting as custodians.

#### Section 2.03 Reduction of Commitment.

(a) Mandatory Reduction of Commitment. Upon receipt by the Bank of notice of (i) any redemption, repayment or other payment pursuant to the Ordinances of all or any portion of the principal amount of the Bonds (other than Liquidity Provider Bonds) so that

said Bonds shall have ceased to be Outstanding under the Ordinances, or (ii) any conversion of all or any portion of the principal amount of the Bonds to a rate period other than a Daily Mode or a Weekly Mode, then in each case, the aggregate Available Principal Commitment of the Bank shall automatically be reduced by the principal amount of said Bonds so redeemed, repaid, defeased or otherwise deemed paid, or otherwise converted and the Available Interest Commitment shall also be simultaneously reduced. The County shall cause written notice of such redemption, repayment, other payment or conversion to be promptly delivered to the Bank.

(b) Voluntary Termination or Reduction of Commitment. The County may terminate and replace this Agreement as to one or both series of Bonds, at any time, with a Substitute Liquidity Facility by giving the Bank and the Registrar not less than thirty (30) days' notice in writing to such effect; *provided* that: (1) the provider of a Substitute Liquidity Facility shall agree to purchase in full in cash on the Substitution Date any related Liquidity Provider Bonds, not otherwise remarketed, held by or on behalf of a Liquidity Provider Bondholder at a purchase price equal to the principal amount of such Liquidity Provider Bonds plus accrued interest thereon at the interest rate at which the Bonds are remarketed, and (2) at the date of such purchase, the County and/or such provider shall pay all other amounts owing to the Bank hereunder (including accrued and unpaid Differential Interest Amounts and Deferred Interest Fee Amounts and interest thereon) relating to the series of Bonds as to which this Agreement is being terminated and replaced and *provided further* that in the event that this Agreement is terminated in whole or in part by or on behalf of the County or the Available Commitment of the Bank is otherwise reduced in whole or in part (other than as a result of scheduled mandatory redemptions of the Bonds) prior to the second anniversary of the Closing Date, the County agrees to pay to the Bank, a termination fee equal to the difference between (x) two full years of the Commitment Fee applicable to the Bank on the basis of the Available Commitment under this Agreement in effect on the termination date (or, if as a result of a reduction of less than 100% of such Bank's Available Commitment, the reduced amount of such Available Commitment) and (y) the actual amount of Commitment Fee already paid by the County to the Bank with respect to such Available Commitment (or, if as a result of a reduction of less than 100% of such Bank's Available Commitment, the reduced amount of such Available Commitment) under this Agreement prior to such termination or reduction date (measured at the time of such termination or reduction).

(c) Termination Upon Substitution. The Available Commitment of the Bank shall automatically terminate as to one or both series of the Bonds at 5:00 p.m. on the date on which a Substitute Liquidity Facility with respect to such series of the Bonds has become effective, so long as the Bank has honored any purchase of Bonds of such series resulting from such substitution in accordance with the terms of this Agreement and the Ordinances.

(d) Expiration of the Bank Purchase Period. The Available Commitment shall automatically terminate on the expiration of the Bank Purchase Period.

(e) No Other Termination. Except as specifically provided in this Section 2.03 or otherwise in Article VII, no Person shall have the right to reduce or terminate the Available Commitment.

Section 2.04 Sale of Liquidity Provider Bonds.

(a) Right to Sell Liquidity Provider Bonds. The Bank expressly reserves the right to sell, at any time, Liquidity Provider Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to Section 2.04(b)) will be made only to institutional investors or other entities or individuals that customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank agrees to notify the County and the Remarketing Agent in writing promptly of any such sale (other than a sale made pursuant to Section 2.04(b)); and to notify the transferee in writing that such Bond is no longer an Eligible Bond so long as it remains a Liquidity Provider Bond and that there will not be a short-term investment rating assigned to such Bond so long as it remains a Liquidity Provider Bond. Prior to selling a Liquidity Provider Bond to a Liquidity Provider Bondholder pursuant to this Section 2.04(a), the Bank shall obtain a written acknowledgment from such Liquidity Provider Bondholder stating that such purchaser has no right to tender the Liquidity Provider Bond.

(b) Sales by Remarketing Agent. The Bank and each other Liquidity Provider Bondholder, by its acceptance of a Liquidity Provider Bond, hereby authorizes the Remarketing Agent to sell Liquidity Provider Bonds purchased pursuant to Section 2.02 on behalf of the Bank or such Liquidity Provider Bondholder pursuant to the Ordinances and in accordance with applicable securities law at a price equal to the principal amount thereof plus unpaid accrued interest thereon to but excluding the date such Liquidity Provider Bonds are to be sold (a "Bank Sale Date") pursuant to this Section 2.04(b) at the interest rate to be borne by non-Liquidity Provider Bonds (the "Sale Price"). If less than all Liquidity Provider Bonds are remarketed on any date, the Liquidity Provider Bonds having the highest aggregate amount of Deferred Interest payable shall be deemed to be remarketed first. Any sale of a Liquidity Provider Bond pursuant to this Section 2.04(b) 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 Liquidity Provider Bond, each other Liquidity Provider Bondholder agrees to deliver (but only upon receipt by the Bank or such other Liquidity Provider Bondholder of Dollars in the amount of the Sale Price) to the Tender Agent each certificate representing a Liquidity Provider Bond sold by it pursuant to this Section 2.04(b), including without limitation certificates representing Liquidity Provider Bonds which are deemed to have been delivered in accordance with the provisions of the Ordinances.

(c) Right to Retain Bonds. (i) Notwithstanding the foregoing or anything else contained in this Agreement, the Bank and each other Liquidity Provider Bondholder shall have the right, by not less than one (1) Business Day's prior written notice to the Remarketing Agent, to elect not to sell the Liquidity Provider Bonds or any portion thereof pursuant to Section 2.04(b); *provided* that such election may be revoked before the expiration of said one (1) Business Day by the Bank or such other Liquidity Provider Bondholder.

(ii) After any sale of Liquidity Provider Bonds by the Remarketing Agent pursuant to Section 2.04(b) and payment to the applicable Liquidity Provider Bondholder of the outstanding principal and interest accrued on the Liquidity Provider Bonds so sold, or after any election by a Liquidity Provider Bondholder not to sell such Liquidity Provider Bonds or, any portion thereof through the Remarketing Agent pursuant to Section 2.04(b), such Liquidity



Provider Bonds so sold or as to which such election is made shall from such sale date or upon such election cease to bear interest at the Bank Rate and shall bear interest at the rate for Bonds other than Liquidity Provider Bonds (and the Available Commitment shall be increased in the same amount as would be the case if said Bonds had been remarketed) and the Liquidity Provider Bond amortization provisions set forth in Section 3.03 hereof shall no longer apply to such Bonds, *provided* that if such Liquidity Provider Bonds are retained by the Bank, Deferred Interest (including interest thereon) described in Section 3.01 shall still be included as additional interest on said Bonds. Liquidity Provider Bonds held by the Bank or such other Liquidity Provider Bondholder bearing interest at the rate for Bonds other than Liquidity Provider Bonds may be tendered for purchase in accordance with and to the extent permitted by Section 3.6 of the Ordinances by notice from the holder of said Bonds to the Remarketing Agent.

(d) Payment of Differential Interest Amount and Deferred Interest Fee Amount. Following any sale of Liquidity Provider Bonds, pursuant to Section 2.04(b) or otherwise, or any election to retain Bonds pursuant to Section 2.04(c), the Bank shall retain the right to receive payment from the County of any accrued Differential Interest Amount and any Deferred Interest Fee Amount and interest thereon as provided herein and in the Ordinances. Any Differential Interest Amount and any Deferred Interest Fee Amount payable on Liquidity Provider Bonds sold by the Remarketing Agent shall be payable by the County to the Bank on the earlier of (i) the occurrence of an Immediate Termination Event and (ii) the Interest Payment Date for Liquidity Provider Bonds next succeeding the applicable Purchase Date or if the Purchase Date is an Interest Payment Date for Liquidity Provider Bonds, then on such Purchase Date.

Section 2.05 Fees.

(a) Commitment Fee. The County hereby agrees to pay or cause to be paid to the Bank a non-refundable commitment fee (the "Commitment Fee") with respect to the commitment of the Bank hereunder at the rate of 0.75% per annum on the average daily amount of the Available Commitment of the Bank (calculated at all times as though no Bonds had been purchased by the Bank hereunder) during each period in respect of which payment is to be made. The Commitment Fee shall be payable in immediately available funds, quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing on January 1, 2010, with respect to the period beginning on the effective date of this Agreement. Commitment Fees shall be calculated on the basis of a year of 360 days and on the actual days elapsed. In the event that the unenhanced long-term rating assigned by S&P or Moody's, as the case may be, to the Bonds or any Parity Indebtedness of the County is less than "AA+" or "Aa1", respectively, the Commitment Fee will increase by 0.15% per annum per rating level reduction, taking into effect any refinement or gradation, adjusted on the date that any such rating is publicly released by S&P or Moody's (for example, a rating reduction by S&P from "AA+" to "AA" would constitute one rating level reduction for purposes of the calculation, and from "AA+" to "AA-" would constitute two rating level reductions); *provided* that the foregoing shall be clarified to provide that if two different rating agencies then providing a long term rating to the Bonds or any Parity Indebtedness of the County were to reduce their ratings assigned to such Bonds or Parity Indebtedness within the same equivalent rating levels, these rating reductions would not be counted twice for purposes of the foregoing Commitment Fee calculation (i.e. a rating reduction by Moody's from "Aa1" to "Aa2" and a rating reduction by S&P from "AA+" to "AA" would

collectively represent a one rating level reduction). If the unenhanced long term ratings assigned by S&P and Moody's, respectively, appear in more than one rating level (i.e., a split rating), the Commitment Fee will be based on the level that includes the lowest rating. In the event that the unenhanced long-term credit rating assigned to the Bonds or any Parity Indebtedness of the County by either of S&P or Moody's is less than "BBB" or "Baa2", respectively, or has been suspended or withdrawn, the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the County, commencing on the date such rating is announced or otherwise takes effect or such withdrawal or suspension occurs, and such increased Commitment Fee rate shall be payable until no such credit ratings remain below such rating level or is suspended or withdrawn, as applicable, or this Agreement otherwise terminates. Upon the occurrence and during the continuance of an Event of Termination, the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the County, commencing on the date such Event of Termination occurs, and such increased Commitment Fee rate shall be payable until such Event of Termination is cured or this Agreement otherwise terminates. For the purposes of this Section 2.05(a) only, the Available Commitment shall be deemed not to be reduced during any period the Bank's obligation to purchase Bonds has been suspended pursuant to Section 7.02(c).

(b) Amendment Fee. In connection with the written request by the County of (i) any amendment, supplement or modification of this Agreement or (ii) any transfer of the rights and obligations of the parties to this Agreement, the County hereby agrees to pay to the Bank on the date of each occurrence as set forth in (i) or (ii) above, a non-refundable fee of \$5,000, plus the reasonable fees and expenses of counsel to the Bank.

(c) Purchase Fee. The County hereby agrees to pay, or cause to be paid, to the Bank on the date of each disbursement by the Bank to purchase Tendered Bonds a non-refundable draw fee equal to \$250.

(d) Upfront Fee. The County hereby agrees to pay, or cause to be paid, to the Bank on the Closing Date a non-refundable upfront fee of \$\_\_\_\_\_.

Section 2.06 Compensation for Increased Costs.

(a) Reserves, Etc. In the event any introduction of any law, rule or regulation (domestic or foreign), or any change in any law, rule or regulation, or the interpretation or application thereof by any court, Governmental Authority central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any Governmental Authority, central bank or comparable authority (whether or not having the force of law):

(i) subjects the Bank to any tax, deduction or withholding or changes the basis for taxation with respect to this Agreement or any Liquidity Provider Bonds held by or on behalf of the Bank (other than any tax based upon the overall net income of the Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal

Deposit Insurance Corporation or any successor thereto) or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank, or

(iii) imposes upon the Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank hereunder, the Bonds or the purchase or holding of Liquidity Provider Bonds by or on behalf of the Bank,

and the result of any of the foregoing is to increase the cost to the Bank, reduce the income receivable by the Bank, impose any expense upon the Bank or reduce the amount of any payment receivable by the Bank, with respect to this Agreement, any Liquidity Provider Bond or any purchase of Eligible Bonds or holding by the Bank of Liquidity Provider Bonds, or with respect to the Available Commitment or any portion thereof as reasonably determined and allocated by the Bank, by an amount which the Bank deems to be material, the Bank shall from time to time notify the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the County shall pay to the Bank promptly, and in any event within 30 days after receipt of such notice, that amount which shall compensate the Bank (on an after-tax basis, grossing up to cover any taxes payable by the Bank on such amount) for such increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return. A certificate setting forth in reasonable detail such increase in cost, reduction in income or additional expense or reduced amount or reduced rate of return, and the manner of calculating the same as determined by the Bank, shall be submitted by the Bank to the County and, absent manifest error, shall be conclusive as to the amount thereof. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(b) Capital Costs. If the Bank shall have determined that the applicability of any law, rule, regulation or report, or the adoption of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy (including but not limited to any United States or foreign law, rule, regulation or guideline), or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any, administrative or Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office thereof) 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 capital of the Bank or of its bank holding company, if any, as a consequence of its obligations hereunder, its Available Commitment or its purchase of Tendered Bonds or holding of Liquidity Provider Bonds to a level below that which the Bank could have achieved but for such applicability, adoption, change or compliance (taking into consideration the policies of the Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, then within 30 days after demand by the Bank the County shall pay to the Bank from time to time as specified by the Bank for such reduction. Each demand for compensation pursuant to this Section 2.06(b) shall be accompanied by a certificate of an officer of the Bank in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(c) Calculations. The amounts owed by the County as compensation to the Bank pursuant to this Section 2.06 shall be calculated as though the Bank were the holder of all Liquidity Provider Bonds other than Liquidity Provider Bonds held by a Participant. The benefits of this Section 2.06 shall be available to each Participant to the extent that the events described herein, creating increased costs, affect the Participant.

(d) Limitation. Notwithstanding anything contained in this Section 2.06 to the contrary, the County shall have no liability to the Bank for any increased costs to the extent incurred by or imposed on the Bank more than ninety (90) days following the termination of this Agreement in whole (the "Cut-Off-Date"), except where (A) the Bank had no actual knowledge of the action resulting in such increased costs as of the Cut-Off-Date or (B) such increased costs apply to the Bank retroactively to a date prior to the Cut-Off-Date.

Section 2.07 Net of Taxes.

(a) Taxes. Any and all payments to the Bank by the County hereunder 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 deductions (including deductions applicable to additional sums payable under this Section 2.07), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions and (iii) the County shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the County shall make any payment under this Section 2.07 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States, then the Bank shall pay to the County an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the County with respect to such 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 or any political subdivision thereof from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (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 Bank's failure to send such notice shall not relieve the County of its obligations to pay such amounts hereunder.

(b) Reimbursement for Taxes and Other Taxes. The County shall, to the fullest extent permitted by law, reimburse the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this

Section 2.07 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 to the extent arising from the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Payments by the County pursuant to this provision shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the County any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the County pursuant to this Section 2.07 received by the Bank for Taxes or Other Taxes that were paid by the County pursuant to this Section 2.07 and to contest, with the cooperation and at the expense of the County, any such Taxes or Other Taxes which the Bank or the County reasonably believes not to have been properly assessed.

(c) Notice. 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.

(d) Limitation. Notwithstanding anything contained in this Section 2.07 to the contrary, the County shall have no liability to the Bank for any increased costs to the extent incurred by or imposed on the Bank more than ninety (90) days following the termination of this Agreement in whole (the "Taxes Cut-Off-Date"), except where (A) the Bank had no actual knowledge of the action resulting in such Taxes or Other Taxes as of the Taxes Cut-Off-Date or (B) such Taxes or Other Taxes apply to the Bank retroactively to a date prior to the Taxes Cut-Off-Date.

(e) Survival. The obligations of the County under this Section 2.07 shall survive the termination of this Agreement.

Section 2.08 Nature of Obligations. The (i) interest on Liquidity Provider Bonds, (ii) maturing principal and sinking fund requirements due and payable in connection with Liquidity Provider Bonds, and (iii) the obligation of the County to pay the Commitment Fee and all other amounts set forth herein as fees (including, but not limited to, the amounts described in Sections 2.05, 2.06 and 8.11 hereof), and of the County to indemnify the Bank pursuant to Section 8.11 hereof, and to make all other payments to the Bank under this Agreement shall, in each case, be payable from (A) the full faith, credit and resources of the County which have been irrevocably pledged pursuant to the Ordinances for the annual levy and collection of an *ad valorem* tax upon all the property within the County subject to taxation, in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purpose, to make the payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund required by the Ordinances as the same become due, and (B) the funds and accounts established under the Ordinances, and secured by the Revenues of the System, on a parity with the payment of interest on the Bonds and all other Multi-Modal LTGO/Sewer Revenue Bonds, all as more fully provided in the Ordinances, but such payments shall be junior, subordinate and inferior to

Operating and Maintenance Expenses; junior, subordinate and inferior to the lien and charge on such Revenue for the payments required to be made into the Parity Bond Fund and the accounts therein; junior, subordinate and inferior to the lien and charge on such Revenue of the payments required to be made into the Parity Lien Obligation Bond Fund and the accounts therein; junior and inferior to the lien and charge on such Revenue to pay and secure the payment of any Junior Lien Obligations; but equal to the lien and charge on such Revenue to pay and secure any additional Multi-Modal LTGO/Sewer Revenue Bonds; and superior to all other liens and charges of any kind or nature, including, inter alia, the lien and charge on such Revenue to pay and secure the payment of the Subordinate Lien Obligations and the SRF Loans and Public Works Trust Fund Loans.

### ARTICLE III

#### INTEREST RATES; PAYMENTS

##### Section 3.01 Bonds to Bear Interest at Bank Rate; Other Interest Provisions.

(a) Bank Rate. Any Bond purchased by the Bank pursuant to this Agreement shall thereupon become a Liquidity Provider Bond and shall bear interest at the Bank Rate for the period commencing from the date that the Bank shall have purchased said Bond and, subject to Section 2.04(c), continuing until said Bond is paid in full or remarketed as provided in Section 2.04(b). The Bank shall give telephonic notice, confirmed in writing, to the County on the Business Day preceding each Interest Payment Date of the interest payment due on Liquidity Provider Bonds on such date. The failure of the Bank to give any notice shall not limit or otherwise affect the obligation of the County to pay interest on the Liquidity Provider Bonds at the rates specified in this Section 3.01.

Each Liquidity Provider Bond will automatically become subject to a Term Out on the related Bank Purchase Date; *provided*, that on the commencement date for such Term Out, (i) there shall exist no Event of Termination or Suspension Event, and (ii) all representations and warranties made by the County herein or in any of the 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 (*provided* that the representation and warranty in subsection (k) of Section 4.01 of this Agreement shall be true and correct as of the most recently updated Official Statement). On the commencement date of each Term Out, the County shall be deemed to have represented and warranted to the Bank that the conditions set forth in (i) and (ii) of the immediately preceding sentence have been satisfied. Each Liquidity Provider Bond subject to a Term Out, and the accrued interest thereon, shall be paid by or on behalf of the County as provided in this Section 3.01 and Section 3.03. In the event that the conditions set forth in (i) and (ii) of the proviso above have not been satisfied, such Liquidity Provider Bond will not become subject to a Term Out hereunder, and such Liquidity Provider Bond will be due and payable on the earlier to occur of the related Bank Purchase Date and the last day of the Bank Purchase Period, and interest thereon shall accrue at the Default Rate, payable on demand.

(b) Default Rate. If the principal amount of any Liquidity Provider Bond, or any other obligation of the County under this Agreement or the Liquidity Provider 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 the Default Rate, such interest to be payable on demand. If at any time an Event of Termination has occurred and is continuing, the principal amount of any Liquidity Provider Bond, or any other obligation of the County under this Agreement or the Liquidity Provider 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 the Default Rate, such interest to be payable on demand.

(c) Deferred Interest. For any period during which Liquidity Provider Bonds are outstanding and as to each monthly interest period, in the event that the amount of interest which would be payable on the Liquidity Provider Bonds (calculated at the Bank Rate for a monthly interest period, or in the case of the payment of the Differential Interest Amount, if any, on a Liquidity Provider Bond for the period from the date of the first day of the current interest period through but not including the date on which such Liquidity Provider Bond is remarketed or paid) exceeds the Maximum Interest Rate, the amount of such excess shall not be payable on the Interest Payment Date for such monthly interest period as interest on such Liquidity Provider Bonds but shall be deferred ("Deferred Interest"). Deferred Interest shall be allocated among the Liquidity Provider Bonds outstanding on such Interest Payment Date based upon the principal amount thereof and the length of time such Liquidity Provider Bonds were outstanding during the monthly interest period related to such Interest Payment Date. Deferred Interest arising on any Interest Payment Date (i) shall to the extent permitted by law, bear interest (compounded monthly on each succeeding Interest Payment Date) at a rate per annum equal to the Bank Rate until paid in full and (ii) shall become payable, together with interest thereon, to the extent permitted by law, on the next succeeding Interest Payment Date or Dates to the extent the interest (including Deferred Interest and to the extent permitted by law, interest on Deferred Interest) payable on the Liquidity Provider Bonds (if any) for the monthly interest period ending on such Interest Payment Date does not exceed the Maximum Interest Rate for such monthly interest period. All amounts of interest payable on a Bond which is a Liquidity Provider Bond, including without limitation, Deferred Interest (and interest thereon, to the extent permitted by law), for so long as such Bond shall remain a Liquidity Provider Bond, shall constitute interest on such Bond. To the extent Deferred Interest (or, to the extent permitted by law, any interest thereon) shall be unpaid with respect to Liquidity Provider Bonds, and such Bonds shall be redeemed or remarketed or shall otherwise cease to be Liquidity Provider Bonds, such unpaid Deferred Interest (including, to the extent permitted by law, any unpaid interest thereon) shall be converted into a fee payable to the Bank (herein, the "Deferred Interest Fee Amount") and shall bear interest at a rate per annum equal to the Bank Rate payable on the next succeeding Interest Payment Date, or, if earlier, the date of the occurrence of an Immediate Termination Event.

Section 3.02 Maturity; Interest. The County agrees that, with respect to each Liquidity Provider Bond, (i) such Liquidity Provider Bond shall be paid in full no later than the Payment Date, if not earlier required to be paid under this Agreement; (ii) the Interest Component, if any, included in the Purchase Price for such Bond shall be due and payable on the second Business Day following the Bank Purchase Date on which such Bond became a Liquidity Provider Bond; (iii) the interest on the unpaid amount of each such Bond from and including the applicable Bank Purchase Date shall be computed at a rate per annum equal to the Bank Rate as determined

pursuant to Section 3.01; and (iv) interest payable pursuant to clause (iii) shall be payable (A) monthly on the first Business Day of each calendar month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) on the Payment Date, (D) after the Payment Date on demand, and (E) on the Bank Sale Date.

Section 3.03 Amortization of Liquidity Provider Bonds. Subject to the earlier payment of Liquidity Provider Bonds as provided in Section 3.01(a), the County agrees that it shall cause to be redeemed pursuant to the Ordinances any Liquidity Provider Bonds that have become subject to a Term Out, such that the unpaid principal balance of all then outstanding Liquidity Provider Bonds shall amortize, commencing on the Amortization Start Date, in twelve (12) approximately equal quarterly installments of principal, payable on each Amortization Payment Date, with the last such redemption occurring on the Amortization End Date. The amount to be redeemed, determined as of the date of acquisition, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000. Notwithstanding the foregoing, the Bank's obligation to retain Liquidity Provider Bonds pending redemption shall terminate and the County shall cause the Liquidity Provider Bonds to be paid in full at a price equal to the then principal amount thereof plus accrued interest thereon at the Bank Rate upon the related Bank Purchase Date or immediately, if currently held by the Bank, if in either case, an Event of Termination shall have occurred and be continuing.

Section 3.04 Computations; Payments.

(a) Interest (including interest at the Default Rate), fees and other amounts payable to the Bank hereunder, including interest on Liquidity Provider Bonds, shall be computed on the basis of a 360-day year and actual days elapsed. Any payments received by the Bank later than 3:30 p.m. (New York City time) on any day shall be deemed to have been paid on the next succeeding Business Day. All payments to the Bank hereunder shall be made in Dollars and in immediately available funds. Unless the Bank shall otherwise direct, all such payments shall be made by means of wire transfer of funds to the Bank per the wire transfer instructions set forth in Section 8.06 hereof, or pursuant to such other direction as the Bank may specify in writing from time to time.

(b) Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. Any computation of the amounts due under this Article III, including, without limitation, the Bank Rate and Deferred Interest in connection with Liquidity Provider Bonds, but excluding the computation of amounts required to be determined pursuant to Ordinances, shall be the obligation of the Bank and shall, absent manifest error, be binding on the County and the Tender Agent.

(c) Payments made to the Bank under this Agreement shall first be applied to any fees, costs, charges or expenses payable to the Bank hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal. Following the occurrence of an Event of Termination, any payments received by the Bank hereunder shall be applied by the Bank to payment of obligations owing to the Bank hereunder in such order as the Bank shall in its sole discretion determine.



## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF THE COUNTY

Section 4.01 Representations of the County. The County makes the following representations and warranties to the Bank as of the effective date of this Agreement and as of the effective date of any extension of the Stated Expiration Date (which representations and warranties shall survive the execution and delivery of this Agreement and any purchases of Eligible Bonds by the Bank):

(a) Existence. The County is a political subdivision of the State, with full right and power (i) to issue and sell the Bonds, (ii) to own its properties, including the System, and to carry on its activities as now conducted and as contemplated to be conducted in connection with the issuance of the Bonds and the execution, delivery and performance of its obligations under the Related Documents and this Agreement, (iii) to execute, deliver and perform its obligations under the Related Documents and this Agreement, and (iv) to provide for the security of the Bonds pursuant to the Ordinances; and the County has complied with all provisions of applicable law in all matters related to such actions of the County as are contemplated by the Related Documents and this Agreement.

(b) Authorization; Contravention. The execution, delivery and performance by the County of this Agreement and each Related Document are within the County's powers, have been duly authorized by all necessary action, and will not and do not (i) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the County; *provided, however*, that the County hereby advises the Bank that it is not clear whether the County has the authority to indemnify a private party for its own gross negligence and that a court could find that the provisions in this Agreement requiring the County to indemnify the Bank against the Bank's gross negligence are not enforceable, (ii) result in a breach of or constitute a default under any material indenture, ordinance or loan or credit agreement or any other agreement, lease or instrument to which the County is a party or by which it or its properties may be bound or affected, or (iii) result in, or require, the creation or imposition of any Lien upon or with respect to any of the properties, including, without limitation, the System, now owned or hereafter acquired by the County, other than as contemplated by this Agreement, the Bonds and the other Related Documents; and the County is not in material default under any such law, order, rule, regulation, writ, judgment, injunction, decree, determination or award or any such indenture, ordinance, agreement, lease or instrument.

(c) Binding Effect; Security.

(i) This Agreement and the Related Documents constitute valid and binding agreements of the County, enforceable in accordance with their respective terms except as (x) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (y) the availability of equitable remedies may be limited by equitable principles of general applicability; *provided, however*, that the County hereby advises the Bank that it is not clear whether the County has the authority to indemnify a private party for its own gross negligence and that a court could find that the provisions in this

Agreement requiring the County to indemnify the Bank against the Bank's gross negligence are not enforceable.

(ii) The Ordinances create, for the benefit of the holders of Bonds and the Bank, (A) a legally valid, binding and irrevocable pledge of the full faith, credit and resources of the County which have been irrevocably pledged pursuant to the Ordinances for the annual levy and collection of an ad valorem tax 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 revenues and money of the County legally available for such purpose, to make the payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund required by the Ordinances as the same become due, and (B) a legally valid, binding and irrevocable pledge of and statutory Lien on the Revenue of the System and other moneys and securities held or set aside or to be set aside and held in the Multi-Modal LTGO/Sewer Revenue Bond Fund. Such pledge extends to the payment of interest on the Liquidity Provider Bonds at the Bank Rate. The payment of principal of and interest on Liquidity Provider Bonds ranks on a parity with the payment of principal of and interest on Multi-Modal LTGO/Sewer Revenue Bonds issued under the Ordinances. No filing, registering or publication of the Ordinances or any other instrument (other than any filing, registration or publication made by the County prior to the Closing Date) is required to establish such pledge or to perfect, protect or maintain such Lien.

(d) No Consent or Approval. No consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or other instrumentality not already obtained, given or made is required on the part of the County for the execution, delivery and performance by the County of the Related Documents or this Agreement.

(e) Financial Information.

(i) The audited financial statements of the County for the fiscal year ended December 31, 2008 fairly present the financial position of the County at the end of such fiscal years and the results of operations for the year then ended, in conformity with GAAP.

(ii) Except as described in writing to the Bank, since December 31, 2008 there has been no material adverse change in the financial position, results of operations or prospects of the County. Since December 31, 2008, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the County which materially adversely affects the issuance of any of the Bonds, the pledge of the full faith, credit and resources of the County for the payment of the Bonds (including Liquidity Provider Bonds), the Revenue of the System, or the ability of the County to repay when due its obligations under this Agreement, any of the Bonds, the Ordinances and the other Related Documents.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental agency or authority, or other board, body or official, pending or, to the best knowledge of the County, threatened against or affecting the County, questioning the validity of the Ordinances or any proceeding taken or to be

taken by the County in connection with the execution, delivery and performance by the County of the Related Documents or this Agreement, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the County of any of the foregoing, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Ordinances or the other Related Documents, (ii) the validity or enforceability of, or the authority or ability of the County to perform its obligations under, the Ordinances, the other Related Documents or this Agreement, (iii) the ability of the County to conduct its activities as presently conducted or as proposed or contemplated to be conducted under the terms of this Agreement, the Ordinances and the other Related Documents, or (iv) the exemption of interest on any bond or note of the County from Federal income taxes.

(g) No Sovereign Immunity. The defense of sovereign immunity is not available to the County in any proceeding by the Bank to enforce any of the obligations of the County under this Agreement or the Bonds (including Liquidity Provider Bonds).

(h) 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 ERISA 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 ERISA.

(i) No Governmental Fees. Neither the execution, delivery nor performance by the Bank of this Agreement or any of the other Related Documents will give rise to any tax, including without limitation any stamp tax, or any fee of any State agency or government body in or of the State or under federal laws or regulations.

(j) No Default. The County is not in breach of or default under the Ordinances, or in breach of or default under any law or regulation of the State or of the United States or any judgment, decree, agreement or other instrument to which the County is a party, except where such breach or default, so far as the County can foresee, will not materially adversely affect, the operations, condition (financial or otherwise) or affairs of the County. No Potential Termination Event or Event of Termination has occurred or is continuing. The County is not in default in the payment of any Indebtedness.

(k) Official Statement. The Official Statement, copies of which have heretofore been delivered to the Bank, and any amendments or supplements thereto prepared prior to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) do not, and in the case of any amendments or supplements prepared subsequent to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) will not, as of their respective dates, contain any untrue statement of a material fact and do not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except no representation is made as to information with respect to the book entry system with respect to the Bonds or the Bank included therein.

(l) Disclosure. All documents and certificates provided to the Bank by or on behalf of the County in connection with the transactions contemplated by the Related Documents are true and correct as of the date hereof and were provided in expectation of the Bank's reliance thereon in executing this Agreement. There are no facts that the County has failed to disclose to the Bank that, individually or in the aggregate, materially adversely affect or, so far as the County can foresee, will materially adversely affect, the operations, condition (financial or otherwise) or affairs of the County.

(m) 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.

(n) No Usury. The terms of this Agreement regarding the calculation and payment of interest and fees do not contravene any applicable usury laws.

(o) Pending Legislation. The County knows of no legislation pending that could, if enacted, affect the validity or enforceability of this Agreement or the Related Documents, or the ability of the County to perform its obligations hereunder or under the Related Documents. No legislation has been enacted which in any way materially adversely affects the issuance or delivery of the Bonds or the execution, delivery or performance of this Agreement or the Related Documents or the creation, organization or existence of the County or the titles to office of any officers thereof, or the power of the County to carry out its obligations under this Agreement or the Related Documents or the ability of the County to perform its obligations hereunder or under the Related Documents.

(p) 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, 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 such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the written consent of the Bank.

## ARTICLE V

### COVENANTS OF THE COUNTY

Section 5.01 Covenants of the County. During the term of this Agreement, and until the obligations of the County to the Bank hereunder are paid in full including full payment of the Liquidity Provider Bonds, and the Bank has no further commitment hereunder, unless the Bank shall otherwise consent in writing, the County covenants and agrees as follows:

(a) Information. The County will deliver to the Bank:

(i) as soon as practicable and, in any event, within 210 days after the end of each fiscal year of the County, financial statements consisting of a balance sheet of the

general fund of the County as of the end of such fiscal year, a statement of revenues, expenditures and changes in fund balance of the general fund of the County for such fiscal year, and a combined statement of government operating revenues, expenditures, and changes in fund balances of the County's general government funds, together with schedules of property tax assessments and of the Revenues of the System, in each case, setting forth in comparative form the corresponding figures (if any) for the preceding fiscal year, all in reasonable detail and accompanied by (i) an audit report of the state auditor stating that they have (except as noted herein) been prepared in accordance with GAAP, and (ii) a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto;

(ii) if not provided together with the financial statements described in clause (i) above, as soon as available and in any event within 270 days after the end of each fiscal year of the County, an audit report of the County prepared by the state auditor and accompanied by financial statements of the type described in clause (i) above, stating that such financial statements have (except as noted therein) been prepared in accordance with GAAP, and accompanied by a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto, and (B) simultaneously with the furnishing thereof to the Tender Agent, each audit report required to be delivered to the Tender Agent pursuant to Section 5.2(c) of the Ordinances;

(iii) as soon as available after the end of each of the first three fiscal quarters of each fiscal year of the County, (A) the unaudited financial information of the County for such quarter for the Sewer System, in the form customarily prepared by the County, and (B) the unaudited financial information of the County for such quarter for the general fund of the County, in the form customarily prepared by the County, accompanied by a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto;

(iv) immediately after the County shall have obtained knowledge of the occurrence of an Event of Termination or Potential Termination Event, the written statement of an authorized officer of the County setting forth the details of each such Event of Termination or Potential Termination Event and the action which the County proposes to take with respect thereto;

(v) promptly, but, in any event, within five days after receipt by the County of notification thereof, notice of any change, suspension or termination in the ratings on the

Bonds or the County's Parity Indebtedness by either Moody's or S&P forthwith upon the occurrence thereof;

(vi) promptly, notice of the failure of the County to make a payment under any other Indebtedness senior to or on a parity with the Bonds;

(vii) promptly (A) notice of the failure by the Remarketing Agent, the Tender Agent or the Registrar to perform any of their respective obligations under the Related Documents to which such entity is a party, and (B) notice of any proposed substitution of this Agreement;

(viii) promptly upon receipt of the written request therefor from the Bank, copies of all management letters of substance and other reports of substance that are submitted to the County by its independent accountants in connection with any annual or interim audit of the books of the County made by such accountants;

(ix) promptly, after the filing thereof, any material event notices or other filing required to be filed pursuant to Securities and Exchange Commission Rule 15c2-12 relating to an adverse (including preliminary) determination as to the tax-exempt status of the Bonds or other events affecting the tax-exempt status of the Bonds as required by the provisions of said Rule, if any;

(x) promptly, notice of any redemption, repayment or other payment or conversion to a Long-Term Mode of any or all of the Bonds;

(xi) promptly, notice of any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality or other agency which, if adversely determined, would materially impair the ability of the County to carry out its obligations under the Act, this Agreement, the Related Documents or any other document, instrument or agreement required hereunder or thereunder, or would materially and adversely affect its assets or financial condition;

(xii) promptly, notice of any proposed amendments to Related Documents and copies of all actual amendments thereto; and

(xiii) from time to time such additional information regarding the financial position, results of operations or prospects of the County as the Bank may reasonably request.

(b) No Amendment Without Consent of the Bank. Without the prior written consent of the Bank, the County will not agree or consent to any amendment, supplement or modification of any Related Document, nor waive any provision thereof.

(c) Maintenance of Remarketing Agent. The County will at all times have a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the Ordinances. Upon the reasonable request of the Bank, the County will use its best efforts to replace the Remarketing Agent if such entity shall fail to perform its obligations under the Remarketing Agreement.

(d) Registrar, Tender Agent and Remarketing Agent. The County shall not appoint any Person to perform the duties of the Registrar, the Tender Agent or the Remarketing Agent without the consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that the Bank's consent is not required for any successor state fiscal agency to assume the duties of Registrar and Tender Agent hereunder. The Bank hereby consents to the state fiscal agency of the State of Washington, currently The Bank of New York Mellon, acting as the Registrar and Tender Agent, and consents to Goldman, Sachs & Co. acting as the Remarketing Agent for the Series 2009A Bonds and Citigroup Global Markets Inc. acting as the Remarketing Agent for the Series 2009B Bonds. The County shall not enter into any successor Remarketing Agreement without the consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed. Each Remarketing Agreement shall provide in its terms that (i) no Remarketing Agent may resign until the earlier of (A) the 30<sup>th</sup> day following prior written notice of such resignation by the then Remarketing Agent to the Bank, or (B) appointment of a successor Remarketing Agent (approved by the Bank as provided above) and such successor Remarketing Agent has accepted and assumed such position, and (ii) if a successor Remarketing Agent shall not have been appointed within such 30-day period, the Remarketing Agent's resignation and discharge from its duties and obligations under the Remarketing Agreement will not be effective until the earlier to occur of (A) the 30<sup>th</sup> day following the end of such 30<sup>th</sup> day period, or (B) appointment of a successor Remarketing Agent (approved by the Bank as provided above) and such successor Remarketing Agent has accepted and assumed such position.

(e) Incorporation of Covenants by Reference. (i) The County agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Ordinances, including, without limitation, Sections 4.1, 4.2 and 4.3 of the Ordinances, and the other Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (a) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (b) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Bank, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Without the written consent of the Bank, no amendment to such covenants and agreements or defined terms made pursuant to any certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

(ii) In the event that the County shall, directly or indirectly, enter into or otherwise consent to any amendment, supplement or other modification of any other credit agreement, bond purchase agreement, reimbursement agreement or other agreement or instrument under which, directly or indirectly, any Person or Persons undertake to make or provide funds to make payment of, or to purchase, Parity Indebtedness which includes financial covenants more restrictive than those included in this Agreement, whether now in effect or entered into by the County after the date hereof, such financial covenants, as well as related defined terms contained in such sources, respectively, are hereby incorporated by reference (all

of the foregoing are collectively referred to herein as the "Incorporated Provisions") in this Section 5.01(e)(ii) for the benefit of the Bank with the same effect as if each and every such Incorporated Provision were set forth in this Section 5.01(e)(ii) in its entirety. The County will perform and comply with each and every Incorporated Provision incorporated herein. The County further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment of this Agreement to include such Incorporated Provisions, *provided* that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this Section 5.01(e)(ii), but shall merely be for the convenience of the parties hereto. To the extent that any such Incorporated Provision (A) permits any Person or Persons to waive compliance with such provision or (B) requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person or Persons, for purposes of this Agreement, such Incorporated Provision shall be complied with hereunder only if (x) it is waived by the Bank or (y) such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank, which acceptance or satisfaction shall not be unreasonably withheld or delayed. No amendment to such Incorporated Provisions made pursuant to any of the Related Documents or otherwise shall be effective to amend such Incorporated Provision without the prior written consent of the Bank and such Incorporated Provision shall remain in full force, except to the extent modified, amended or waived by the Bank, whether or not the respective document containing such Incorporated Provision remains in effect, whether or not the original beneficiary of such Incorporated Provisions continues to be a creditor of the County or whether such original beneficiary has otherwise lost its rights to enforce such Incorporated Provisions.

(f) Liquidity.

(i) The County agrees to use its best efforts to obtain a Substitute Liquidity Facility to replace or otherwise amend this Agreement in the event (w) the Bank shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the Stated Expiration Date), (x) there shall have occurred a Mandatory Purchase Date (other than solely as a result of a conversion to/from a Daily Mode or a Weekly Mode to/from a Daily Mode or a Weekly Mode) of any Bonds under the Ordinances, (y) the Bank shall furnish a Notice of Termination pursuant to Section 7.02(b) to the Tender Agent, or (z) the County fails to timely request the extension of the Stated Expiration Date of this Agreement in accordance with the provisions of Section 8.05 hereof unless, in each event, the County has provided funds (which may be remarketing proceeds) for the purchase of all Liquidity Provider Bonds at par plus accrued interest through the purchase date and notifies the Bank in writing of its decision not to provide a Substitute Liquidity Facility.

(ii) The County agrees that any Substitute Liquidity Facility will require, as a condition to the effectiveness of that Substitute Liquidity Facility, that the issuer of the Substitute Liquidity Facility or the County provide funds (which may be remarketing proceeds) on the Substitution Date, for the purchase of all related Liquidity Provider Bonds at par plus accrued interest (at the Bank Rate) through the Substitution Date. On the Substitution Date or on any date the County provides the funds required by clause (i) of this paragraph if no Substitute Liquidity Facility is to be provided, the County shall pay in full all other related



amounts due hereunder (including, without limitation, any Differential Interest Amount, all Deferred Interest, the entire unpaid Deferred Interest Fee Amount and unpaid interest thereon).

(g) Tax Status of the Bonds. The County shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the exemption of interest on any tax-exempt bond or note of the County, including the Bonds, from Federal income taxes.

(h) 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 ERISA 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 ERISA.

(i) Maintenance of Books and Records. The County will keep proper books of record and account in which full, true and correct entries in accordance with GAAP will be made of all dealings or transactions in relation to its business and activities.

(j) Access to Officers, Employees or Agents. The County will permit its officers, employees and agents to discuss with the Bank matters pertinent to an evaluation of the credit of the County, all at such reasonable times as the Bank may reasonably request.

(k) Restriction on Use of Proceeds. The County will not apply the proceeds of amounts advanced hereunder for any purpose other than the payment of the Purchase Price of unremarketed Bonds as more fully described in this Agreement.

(l) Inspection of Records. At any reasonable time and upon reasonable notice from time to time, and at the expense of the County upon and during the continuance of an Event of Termination, the County shall permit the Bank or any agents or representatives thereof designated in writing (i) to visit and inspect any of the properties of the County, and to discuss the affairs, finances and accounts of the County with, and to be advised as to the same by, the principal officers and employees of the County and its independent public accountants, all at such reasonable times during normal business hours and as often as the Bank may reasonably request, and (ii) to review and inspect the corporate books and financial records of the County and to make copies thereof and extracts therefrom.

(m) Compliance with Law. The County will comply with and observe the obligations and requirements set forth in the Ordinances, the Constitution of the State and the statutes, regulations, orders or writs binding upon it relating to the Bonds or otherwise applicable to the operations, affairs, properties, condition (financial or otherwise) or prospects of the County, including the System, except to the extent such non-compliance would be unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the County.

(n) Proceeds of Bonds. No part of the proceeds of the Bonds or any advance hereunder will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

(o) Payment of Obligations. The County shall take such action as necessary to cause payment of the Bonds, and shall take such further action as is appropriate in order to provide for payment of any and all of its obligations hereunder.

(p) Further Assurances. From time to time hereafter, the County will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and each of the Related Documents.

(q) Other Indebtedness. The County will not create or incur any indebtedness for borrowed money with respect to monies or securities in the Multi-Modal LTGO/Sewer Revenue Bond Fund other than the Bonds and other indebtedness which is on a parity with the Bonds.

(r) Liens. The County will not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or a pledge or assignment of the Revenue of the System or other moneys, securities or funds held or set aside by the County under the Ordinances, except as provided in the Ordinances; and it will not create or cause to be created any lien or charge on the Revenue of the System or such moneys, securities or funds, except as provided in the Ordinances.

(s) Preservation of Existence. The County will preserve and maintain its existence, rights and privileges in the State, and will qualify and remain qualified and authorized to do business in each other jurisdiction in which such qualification is necessary in view of its activities or operations.

(t) Actions. The County shall not take any action, or cause the Registrar and the Tender Agent to take any action, under the Related Documents inconsistent with the rights of the Bank under this Agreement including, without limitation, its obligations to make payments to the Bank, without the prior written consent of the Bank.

(u) Disclosure. The County shall not refer to the Bank in any official statement or make any changes in reference to the Bank in any official statement without the Bank's prior written consent thereto.

(v) Ordinances; Redemption of Liquidity Provider Bonds.

(i) The County shall transfer Revenue of the System and amounts on deposit in any account under the Ordinances to the Bank in order to pay obligations owing to the Bank under this Agreement and the Liquidity Provider Bonds when due, to the extent permitted under the Ordinances.

(ii) While any Liquidity Provider Bonds are outstanding, the County will to the extent obligated under Section 3.01 or Section 3.03 hereof, (i) redeem Liquidity Provider Bonds from available funds, including available Revenue of the System, and (ii) redeem Liquidity Provider Bonds prior to the optional redemption of any other Bonds under Section 3.2 of the Ordinances.

(w) Optional Redemption. Without the prior written consent of the Bank, the County shall not optionally redeem any Bonds (other than Liquidity Provider Bonds) issued under the Ordinances prior to redeeming Liquidity Provider Bonds in full or if, after giving effect to such redemption in full, there would be any unpaid Differential Interest Amount or any other amount in respect of such Liquidity Provider Bonds shall not have been paid in full.

(x) Waiver of Sovereign Immunity. To the fullest extent permitted by law, in any action, suit, litigation or proceeding, the County shall not claim or otherwise assert sovereign immunity with respect to any obligations of the County under this Agreement or with respect to Liquidity Provider Bonds.

(y) Maintenance of Rating. The County shall use its best efforts to maintain not less than one long-term unenhanced credit rating from Moody's or S&P during the term of this Agreement.

## ARTICLE VI

### CONDITIONS PRECEDENT

Section 6.01 Conditions to Bank's Entering into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto including the Related Documents shall be in form and substance reasonably satisfactory to the Bank and that the conditions enumerated in this Section 6.01 have been fulfilled to the satisfaction of the Bank and its counsel, Winston & Strawn LLP. Delivery by the Bank of fully executed signature pages to this Agreement shall constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the date of the execution and delivery of this Agreement: (i) there shall exist no Event of Termination or Potential Termination Event, (ii) all representations and warranties made by the County herein or in any of the 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, (iii) no material adverse change in the financial condition, operations or prospects of the County shall have occurred since December 31, 2008, and (iv) except as described in writing to the Bank, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the County between the date of the County's most recent audited financial statements and the effective date of this Agreement which materially adversely affects the issuance of the Bonds, the security for the Bonds or the County's ability to repay when due its obligations under this Agreement and the Related Documents.

(b) Supporting Documents. On or prior to the date of the execution and delivery of this Agreement, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement and the Custody Agreement;

(ii) certified copies of the Ordinances, the Remarketing Agreement and each other Related Document not specified in (i) above;

(iii) signature and other authorizing certificates, dated the date of the execution and delivery of this Agreement, regarding the authority of the officers of the County executing this Agreement and the Related Documents to which it is a party and which are being delivered on the date of this Agreement;

(iv) a certificate of the County, dated the date of the execution and delivery of this Agreement, to the effect set forth in Section 6.01(a);

(v) executed legal opinions, dated the date of the execution and delivery of this Agreement, addressed to the Bank and in form and substance satisfactory to the Bank, (A) of Bond Counsel covering such matters as the Bank may reasonably request; and (B) of counsel to the County covering such matters as the Bank may reasonably request; and

(vi) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

(c) Certain Payments. On the date of the execution and delivery of this Agreement, the County shall have paid the upfront fee of the Bank as provided in Section 2.05 and the fees and expenses of counsel to the Bank as provided in Section 8.11.

(d) Ratings. The Bank shall have received satisfactory evidence that the Bonds shall have been assigned a long term rating of "Aa1" by Moody's and "AAA" by S&P, and a short term credit rating of "VMIG-1" by Moody's and "A-1+" by S&P.

(e) Liquidity Provider Bond Ratings. The Bank shall have received satisfactory evidence that the Liquidity Provider Bonds shall have been assigned a long-term rating of not less than "\_\_\_\_\_" by Moody's.

Section 6.02 Conditions Precedent to Each Purchase.

(a) The obligation of the Bank to purchase Eligible Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(i) No Immediate Termination Event shall have occurred;

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

(iii) The Bank shall have timely received the Notice of Bank Purchase(s) as provided in Section 2.02 hereof.

(b) Each notification delivered pursuant to clause (iii) of Section 6.02(a) hereof shall constitute a representation and warranty by the Borrower on each Bank Purchase Date that, to its knowledge, each of the conditions described in the clauses (i) and (ii) of this Section 6.02(a) have been satisfied on the applicable Bank Purchase Date.

ARTICLE VII  
EVENTS OF TERMINATION; REMEDIES

Section 7.01 Events of Termination. Each of the following events shall constitute an "Event of Termination" hereunder:

(a) any principal or interest due on the Bonds (including any Liquidity Provider Bonds) is not paid when due, whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration (other than as a result of acceleration of the payment of any Liquidity Provider Bond due to the occurrence of an Event of Termination hereunder), or otherwise;

(b) nonpayment of any other amounts payable by the County to the Bank when and as due hereunder;

(c) this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security, shall for any reason cease to be valid and binding on the County, or an officer of the County shall deny that the County has any or further liability under this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security, or any Governmental Authority having jurisdiction shall find or rule that this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security is not valid or binding on the County;

(d) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the County or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated within sixty (60) days after commencement or such court enters an order granting the relief sought in such proceeding or the County shall institute or take any corporate action for the purpose of instituting any such proceeding, or the County shall become insolvent, or unable to pay its debts as they mature, within the meaning of the Bankruptcy Code, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the County or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due within the meaning of the Bankruptcy Code, or shall take any corporate action in furtherance of any of the foregoing;

(e) the County shall (i) default in any payment of principal of, premium, if any, or interest on any Parity Indebtedness, other than Indebtedness owed pursuant to this

Agreement; or (ii) default in the observance or performance of any other agreement or condition relating to any such Parity Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Parity Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Parity Indebtedness to become due and payable;

(f) any representation or warranty made by the County in this Agreement (or incorporated herein by reference) or in any of the other Related Documents or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or with any of the other Related Documents, shall prove to have been incorrect, incomplete or misleading in any material respect when made;

(g) default in the due observance or performance by the County of any covenant set forth (or incorporated by reference) in Article V;

(h) default in the due observance or performance by the County of any other term, covenant or agreement set forth (or incorporated by reference) in this Agreement and the continuance of such default for thirty (30) days after the occurrence thereof;

(i) the occurrence of an "event of default" under any of the Related Documents;

(j) any final, non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$10,000,000 and payable from the full faith and credit of the County and the Revenue of the System on a parity basis with the Bonds, shall be rendered against the County or against any of its property, including, without limitation, the System, and remain unpaid, unvacated, unbonded, uninsured, or unstayed for a period of sixty (60) days;

(k) the long-term rating of the Bonds or any Parity Indebtedness is lowered below "BBB-" (or its equivalent) by S&P and "Baa3" (or its equivalent) by Moody's, or such long-term ratings are suspended or withdrawn by S&P and Moody's for credit-related reasons; or

(l) the long-term rating of the Bonds or any Parity Indebtedness is lowered below "A-" (or its equivalent) by S&P or "A3" (or its equivalent) by Moody's, or such long-term ratings are suspended or withdrawn by S&P or Moody's.

Section 7.02 Event of Termination Remedies. If any Event of Termination shall have occurred and be continuing:

(a) In the case of an Event of Termination specified in Section 7.01(a), (c), (d), (e)(i), (j) or (k) (each an "Immediate Termination Event"), the Available Commitment and the obligation of the Bank to purchase Bonds shall immediately terminate without prior notice or demand, and thereafter the Bank shall be under no obligation to purchase Bonds. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of an Immediate

Termination Event, the Bank shall give written notice of the same to the County, the Tender Agent, the Registrar and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the termination of the Bank's Available Commitment and of its obligation to purchase Bonds pursuant to this Agreement.

(b) In the case of an Event of Termination other than as set forth in Section 7.02(a) hereof, the Bank may terminate the Available Commitment by giving written notice (a "Notice of Termination") to the County, the Remarketing Agent, the Tender Agent and the Registrar, specifying the date on which the Available Commitment shall terminate (the "Termination Date"), which shall be not less than thirty (30) days from the date of receipt of such notice by the Tender Agent, and on and after the Termination Date the Bank shall be under no further obligation to purchase Bonds hereunder.

(c) Upon the occurrence and during the continuance of a Potential Termination Event described in Section 7.01(d) hereof (a "Suspension Event"), the obligation of the Bank to purchase Bonds hereunder shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to purchase Bonds, until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated prior to the court entering an order granting the relief sought in such proceeding, then the obligations of the Bank hereunder shall be automatically reinstated and the terms of the Agreement shall continue in full force and effect (unless the obligation of the Bank to purchase Bonds hereunder shall otherwise have terminated as provided in this Section 7.02) as if there had been no such suspension. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of a Suspension Event, the Bank shall give written notice of the same to the County, the Tender Agent, the Registrar and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the suspension of the Bank's Available Commitment and of its obligation to purchase Bonds pursuant to this Agreement.

(d) In addition to the rights and remedies set forth in Section 7.02(a), (b) and (c), in the case of any Event of Termination specified in Section 7.01, upon the election of the Bank, the Bank shall have all the rights and remedies available to it under this Agreement, the Related Documents, or otherwise pursuant to law or equity.

Section 7.03 Certain Other Matters. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the County or any other Person hereto in any case shall entitle the County or such other Person 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.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.01 Changes to Agreement. No provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing signed by the parties hereto. The County shall give notice to S&P and Moody's of any amendments to this Agreement.

Section 8.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the County may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank; and *provided, further, however*, with respect to the Bank, no assignment shall occur and become effective until each of S&P and Moody's, if then rating the Bonds, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds. The Bank shall have the right at any time to grant participations in all or part of its obligations hereunder and the obligations of the County hereunder to any other institutional purchaser (the "Participants") without the consent of or notice to the County or any other Person; *provided, however*, that any such participation shall not relieve the Bank from any of its obligations under this Agreement and the County, the Tender Agent, the Registrar and the Remarketing Agent may deal exclusively with the Bank for all purposes of this Agreement (including the making of all payments on Liquidity Provider Bonds). The Bank may disclose to any Participant or prospective Participant any information or other data or material in the Bank's possession relating to this Agreement, any Related Document and the County, without the consent of or notice to the County.

Section 8.03 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York; *provided* that the duties and obligations of the County under this Agreement shall be governed by and construed in accordance with the internal laws of the State, without giving effect to conflict of law principles.

Section 8.04 Submission to Jurisdiction; Waiver of Jury Trial. **THE COUNTY HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON AND OF ANY STATE COURT SITTING IN THE CITY OF SEATTLE FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RELATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; PROVIDED THAT THE PARTIES AGREE TO THE EXTENT EITHER SUCH COURT SHALL HAVE COMPETENT JURISDICTION, THAT THE PARTIES SHALL FIRST DESIGNATE THE UNITED STATES DISTRICT COURT LOCATED IN THE WESTERN DISTRICT OF WASHINGTON AS THE SITE OF SUCH SUIT, ACTION OR PROCEEDING. THE COUNTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE BANK, THE**



**TENDER AGENT AND THE COUNTY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.**

Section 8.05 Extension of Bank Purchase Period. The Stated Expiration Date may be extended from time to time, at the request of the County (in the form of Exhibit C attached hereto) made no earlier than one hundred and eighty (180) days prior to the Stated Expiration Date, by agreement in writing between the County and the Bank (the period from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the "Extended Bank Purchase Period"). The Extended Bank Purchase Period may itself be extended in a like manner for additional periods. The Bank has no obligation to agree to any Extended Bank Purchase Period. If the Bank, in its sole and absolute discretion, determines to extend any such period, the Bank shall give written notice of the election to extend to the County, the Tender Agent, the Registrar and the Remarketing Agent not more than sixty (60) days following the Bank's receipt of the request of the County to so extend. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of this Agreement, including the commitment fees and the Bank Rate. Notwithstanding anything in this paragraph to the contrary, if the Bank fails to give notice of an election to extend, this Agreement shall expire at the end of the Bank Purchase Period or Extended Bank Purchase Period then in effect.

Section 8.06 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Registrar, the Tender Agent, the Remarketing Agent, the Bank or the County, shall be deemed or have been sufficiently given or filed for all purposes when delivered by hand or when sent by registered mail, return receipt requested, postage prepaid, and if given by telecopy shall be deemed given when transmitted (receipt confirmed):

If to the Tender Agent, to:

The Bank of New York Mellon  
101 Barclay Street, 7 West  
New York, New York 10286  
Attention: Global Corporate Trust, Municipal Finance  
Telephone No.: (212) 815-5084  
Facsimile No.: (212) 815-3466

If to the Registrar, to:

The Bank of New York Mellon  
101 Barclay Street, 7 West  
New York, New York 10286  
Attention: Global Corporate Trust, Municipal Finance  
Telephone No.: (212) 815-5084  
Facsimile No.: (212) 815-3466

If to the Bank:

State Street Bank and Trust Company  
State Street Financial Center  
One Lincoln Street, SFC/5  
Boston, Massachusetts 02111-2900  
Attention: Michael Murray, Vice President (Credit Contact)  
Telephone No.: (617) 664-4921  
Facsimile No.: (617) 946-0358

with a copy to:

State Street Bank and Trust Company  
State Street Financial Center  
One Lincoln Street, SFC/5  
Boston, Massachusetts 02111-2900  
Attention: Adam Kennedy (Operations Contact)  
Telephone No.: (617) 664-3818  
Facsimile No.: (617) 310-5757

Wire instructions with respect to Facility or Other Fees:

State Street Bank and Trust Company  
ABA #011-000-028  
Account Name: Municipal Finance Fee Receivable  
Account Number: 4867-932-8  
Reference: (King County, Washington, 2009 Series A and B Bonds)

Wire instructions with respect to Liquidity Provider Bond payments:

State Street Bank and Trust Company  
ABA #011-000-028  
Account Name: Municipal Finance Draw Fee Clearing Account  
Account Number: 4867-933-6  
Reference: (King County, Washington, 2009 Series A and B Bonds)

If to the Remarketing Agent:

With respect to the Series 2009A Bonds:

With respect to the Series 2009B Bonds:

If to the County:

King County, Washington  
Department of Finance  
500 Fourth Avenue ADM-FI-0611  
Seattle, Washington 98104  
Attention: Nigel H. Lewis  
Telephone No.: (206) 296-1168  
Facsimile No.: (206) 296-7345

Section 8.07 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 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 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 Registrar, the Tender Agent, the Remarketing Agent, 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;

(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; or

(f) any other circumstance, or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.08 Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be 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, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.09 Survival. All representations, warranties, covenants and agreements of the County contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Bonds by the Bank hereunder and shall continue in full force and effect until payment in full of all payment obligations of the County hereunder, it being understood that the agreements of the County found in Sections 2.06, 2.07, 3.01(b), and 8.11 shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.10 Liability of the Bank. The County and the Tender Agent agree that the Bank shall have no liability or responsibility for the acts or omissions of each of the Remarketing Agent and the Tender Agent in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of Tendered Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 or to comply with the applicable provisions of any of the Ordinances. Neither the Bank nor any of its directors, officers or employees 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 Tender Agent 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, in the case of the Bank, the Bank's gross negligence or willful failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement. In no event shall the Bank be liable to any Person for consequential damages, including; without limitation, such damages suffered by reason of the Bank's failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement.

Section 8.11 Certain Costs; Indemnification.

(a) The County agrees to pay to the Bank (i) on the date of execution of this Agreement, all reasonable costs and expenses incurred by the Bank and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered in connection therewith, *provided*, that such counsel fees shall

not exceed \$35,000 plus disbursements, and (ii) all costs, charges and expenses (including reasonable fees and expenses of counsel for the Bank, and out-of-pocket expenses of the Bank) otherwise arising in connection with this Agreement and the Related Documents, including, without limitation, in connection with any amendment or waiver with respect to this Agreement, the Bonds and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by law, the County agrees to indemnify and hold the Bank harmless from and against, and to pay on demand, any and all claims, damages, losses, liabilities, costs and expenses whatsoever which the Bank may incur or suffer by reason of or in connection with (i) the execution and delivery or performance of this Agreement or any other documents which may be delivered in connection with this Agreement, (ii) the disclosure in the Official Statement or any other offering document used in connection with the offering, sale, remarketing or resale of the Bonds, other than information regarding the Bank set forth therein which is expressly provided by the Bank for inclusion therein, or (iii) any breach by the County of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any other Related Document, including, without limitation, the reasonable fees and expenses of counsel for the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and all reasonable fees and expenses, if any, in connection with the enforcement or defense of the rights of the Bank in connection with this Agreement or any of the Related Documents, or the collection of any monies due under this Agreement or such other documents which may be delivered in connection with this Agreement or any of the Related Documents; except, only if, and to the extent that any such claim, damage, loss, liability, cost or expense shall be caused by the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Promptly after receipt by the Bank or notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section 8.11 the Bank shall promptly notify the County thereof, *provided* that failure to give such notice shall not relieve the County from any liability to the Bank hereunder. The obligations of the County under this Section 8.11 shall survive payment of all obligations by the County to the Bank owed under this Agreement.

Section 8.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but both of which, when taken together shall constitute one and the same instrument.

Section 8.13 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 8.14 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.15 USA PATRIOT Act. The Bank, to the extent that it is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notifies the County that pursuant to the requirements of 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.

Section 8.16 Waiver of Setoff. The Bank waives its right to offset any obligations owed by it to the County against any obligations owed by the County to it.

Section 8.17 Oral Agreements Not Enforceable. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

STATE STREET BANK AND TRUST  
COMPANY, as the Bank

By: \_\_\_\_\_  
Name: Timothy Batler  
Title: Senior Vice President

KING COUNTY, WASHINGTON

By: \_\_\_\_\_  
Name:  
Title

THE BANK OF NEW YORK MELLON, as Tender  
Agent

By: \_\_\_\_\_  
Name:  
Title

NOTICE OF BANK PURCHASE  
(Liquidity Purchase)

The undersigned, a duly authorized officer of \_\_\_\_\_, as Tender Agent and as Bond Registrar (collectively, the "Tender Agent"), hereby certifies to State Street Bank and Trust Company (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of December 1, 2009, among King County, Washington, the Tender Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Notice of tender of Eligible Bonds for purchase pursuant to Section 3.6 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>1</sup> has been received.

2. Insufficient money is available for such purchase pursuant to Section 3.8(c) of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>2</sup>.

3. [(a) The total principal amount of the Eligible Bonds for which there is not sufficient moneys referred to above is \$ \_\_\_\_\_, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid, interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Ordinance, as of the date of delivery hereof to the Bank is \$ \_\_\_\_\_, which amount does not exceed the Available Interest Commitment.]<sup>3</sup>

4. The Eligible Bonds referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate Purchase Price of \$ \_\_\_\_\_,<sup>4</sup> which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Tender Agent will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 3.6 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>5</sup> has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial

<sup>1</sup> Tender Agent to insert applicable reference.

<sup>2</sup> Tender Agent to insert applicable reference.

<sup>3</sup> If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If the exclusion results in no interest, delete (b).

<sup>4</sup> Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

<sup>5</sup> Tender Agent to insert applicable reference.



ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

6. The Bank Purchase Date is \_\_\_\_\_, \_\_\_\_\_ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Tender Agent's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, as Tender  
Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NOTICE OF BANK PURCHASE  
(Mandatory Purchase)

The undersigned, a duly authorized officer of \_\_\_\_\_, as Tender Agent and as Bond Registrar (collectively, the "Tender Agent"), hereby certifies to State Street Bank and Trust Company (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of December 1, 2009, among King County, Washington, the Tender Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Eligible Bonds have been tendered or deemed tendered for mandatory purchase pursuant to Section 3.7 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>1</sup>.

2. Insufficient moneys are available for such purchase pursuant to Section 3.8(c) of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>2</sup>.

3. [(a) The total principal amount of the Eligible Bonds referred to above is \$ \_\_\_\_\_, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Ordinance, as of the date of delivery hereof to the Bank is \$ \_\_\_\_\_, which amount does not exceed the Available Interest Commitment.]<sup>3</sup>

4. The Eligible Bonds referred to above are being delivered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate Purchase Price of \$ \_\_\_\_\_,<sup>4</sup> which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Tender Agent will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 3.7 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]<sup>5</sup> has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by

<sup>1</sup> Tender Agent to insert applicable reference.

<sup>2</sup> Tender Agent to insert applicable reference.

<sup>3</sup> If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If exclusion results in no interest, delete (b).

<sup>4</sup> Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

<sup>5</sup> Tender Agent to insert applicable reference.

the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

6. The Bank Purchase Date is \_\_\_\_\_, \_\_\_\_\_ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Tender Agent's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, as Tender  
Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FORM OF REQUEST FOR EXTENSION OF STATED EXPIRATION DATE

[DATE]

State Street Bank and Trust Company  
State Street Financial Center  
One Lincoln Street, SFC/5  
Boston, Massachusetts 02111-2900  
Attention: Michael Murray, Vice President  
(Credit Contact)  
Telephone No.: (617) 664-4921  
Facsimile No.: (617) 946-0358

State Street Bank and Trust Company  
State Street Financial Center  
One Lincoln Street, SFC/5  
Boston, Massachusetts 02111-2900  
Attention: Adam Kennedy (Operations  
Contact)  
Telephone No.: (617) 664-3818  
Facsimile No.: (617) 310-5757

Re: Request for Extension of Stated Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that Standby Bond Purchase Agreement (the "Agreement"), dated as of December 1, 2009, among King County, Washington (the "County"), \_\_\_\_\_, as Tender Agent and as Registrar, and State Street Bank and Trust Company (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The County hereby requests, pursuant to Section 8.05 of the Agreement, that the Stated Expiration Date for the Bank Purchase Period be extended by [IDENTIFY APPROPRIATE PERIOD]. Pursuant to Section 8.05 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Termination and all Potential Termination Events; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify in writing the Tender Agent, the Registrar, the County and the Remarketing Agent of the Bank's decision with respect to this request for extension no less than sixty (60) days following the Bank's receipt of this written request. If the Bank fails to notify in writing such parties of the Bank's decision on or prior to such sixtieth (60<sup>th</sup>) day, the Bank shall be deemed to have rejected such request.

Very truly yours,

KING COUNTY, WASHINGTON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FORM OF CUSTODY AGREEMENT

This CUSTODY AGREEMENT dated as of December 1, 2009, by and between The Bank of New York Mellon, as custodian (the "Custodian") and State Street Bank and Trust Company (the "Bank").

WHEREAS, King County, Washington (the "County"), The Bank of New York Mellon, as tender agent and as registrar (collectively, the "Tender Agent") and the Bank have entered into that certain Standby Bond Purchase Agreement dated as of December 1, 2009 (the "Agreement"), pursuant to which the Bank has agreed to purchase in certain circumstances the King County, Washington Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009A (the "Series 2009A Bonds") issued by the County and the King County, Washington Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009A (the "Series 2009B Bonds" and collectively with the Series 2009A Bonds) issued by the County; and

WHEREAS, the Series 2009A Bonds were issued pursuant to Ordinance No. \_\_\_\_\_ adopted by the County on September \_\_\_\_\_, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009A Ordinance"), and the Series 2009B Bonds were issued pursuant to Ordinance No. \_\_\_\_\_ adopted by the County on September \_\_\_\_\_, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009B Ordinance" and collectively with the Series 2009A Ordinance, the "Ordinances"); and

WHEREAS, the Ordinances require that the Bonds delivered by the holders thereof to the Tender Agent be purchased under certain circumstances by the Bank under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Bank under the Agreement that the Custodian shall have entered into this Custody Agreement with the Bank; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Bank, as herein provided;

NOW THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

- (a) The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Liquidity Provider Bonds (as defined in the Agreement) under the Agreement and holding such Liquidity Provider Bonds for and on behalf of the Bank. Liquidity Provider Bonds shall be held and registered as provided in

Section 2.02 of the Agreement. The Custodian hereby agrees to hold the Liquidity Provider Bonds for such purpose, as the Bank's agent and bailee. As used herein, the term "Liquidity Provider Bonds" means, unless the context otherwise requires, the beneficial ownership of such Liquidity Provider Bonds during any period that Liquidity Provider Bonds are maintained as book entry bonds.

- (b) Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of such Liquidity Provider 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 Custody Agreement and shall not enter into any other agreement, other than the Agreement or the Ordinances, regarding possession of the Liquidity Provider Bonds without the prior written consent of the Bank. The Custodian will not release Liquidity Provider Bonds to the purchaser of such Liquidity Provider 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 (as defined in the Agreement) in an amount equal to the principal amount of such Liquidity Provider Bonds has been reinstated.
- (c) Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Liquidity Provider Bonds then held by the Custodian on behalf of the Bank pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Liquidity Provider Bonds under this Custody Agreement. The Bank shall have the option to terminate this Custody 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 Liquidity Provider 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 Liquidity Provider Bonds then held by the Custodian on behalf of the Bank without termination of this Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Liquidity Provider Bonds to the Bank or its designee then held by the Custodian.
- (d) In acting under this Custody Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.
- (e) 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 Custody 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.

- (f) The Custodian may resign at any time by giving written notice thereof to the Bank. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Bank and shall have accepted such appointment in writing. The resigning Custodian may, at the 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.
- (g) This Custody Agreement cannot be amended or modified except in a writing signed by the Bank and the Custodian.
- (h) This Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Bank, and their respective successors and assigns.
- (i) This is the Custody Agreement referred to in the Agreement, and shall be governed by the law of the State of New York.
- (j) This Custody Agreement may be executed in counterparts which, taken together, shall constitute a single document.

[signature page immediately follows]



IN WITNESS WHEREOF, the parties have hereunder set their hands, all as of the date first above written.

THE BANK OF NEW YORK MELLON, as the  
Custodian

By: \_\_\_\_\_  
Name:  
Title:

STATE STREET BANK AND TRUST  
COMPANY, as the Bank

By: \_\_\_\_\_  
Name: Timothy Batler  
Title: Senior Vice President

ACCEPTED AND AGREED TO:

KING COUNTY, WASHINGTON

By: \_\_\_\_\_  
Name:  
Title: